

CONFERENCE COMMITTEE SUBSTITUTE

FOR

SENATE COMMITTEE SUBSTITUTE

FOR

HOUSE COMMITTEE SUBSTITUTE NO. 2

FOR

HOUSE BILL NO. 698

AN ACT

To repeal sections 32.115, 99.1205, 135.305, 135.350, 135.352, 135.484, 135.630, 143.119, 253.545, 253.550, 253.557, 253.559, and 447.708, RSMo, and section 135.630 as enacted by house committee substitute for senate substitute for senate committee substitute for senate bills nos. 20, 15 & 19, ninety-seventh general assembly, first regular session, and to enact in lieu thereof twenty-two new sections relating to tax incentives, with an emergency clause for certain sections.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI, AS FOLLOWS:

Section A. Sections 32.115, 99.1205, 135.305, 135.350, 135.352, 135.484, 135.630, 143.119, 253.545, 253.550, 253.557, 253.559, and 447.708, RSMo, and section 135.630 as enacted by house committee substitute for senate substitute for senate committee substitute for senate bills nos. 20, 15 & 19, ninety-seventh general assembly, first regular session, are repealed and twenty-two new sections enacted in lieu thereof, to be known as sections 32.115, 67.2050, 99.1205, 135.305, 135.350, 135.352, 135.484, 135.630, 135.1550, 135.1555, 135.1560, 135.1565, 135.1570, 135.1575, 144.810, 253.545, 253.550, 253.557, 253.559, 348.273, 348.274, and 447.708, to read as follows:

1 ____32.115. 1. The department of revenue shall grant a tax
2 credit, to be applied in the following order until used, against:

3 (1) The annual tax on gross premium receipts of insurance
4 companies in chapter 148;

5 (2) The tax on banks determined pursuant to subdivision (2)
6 of subsection 2 of section 148.030;

7 (3) The tax on banks determined in subdivision (1) of
8 subsection 2 of section 148.030;

9 (4) The tax on other financial institutions in chapter 148;

10 (5) The corporation franchise tax in chapter 147;

11 (6) The state income tax in chapter 143; and

12 (7) The annual tax on gross receipts of express companies
13 in chapter 153.

14 2. For proposals approved pursuant to section 32.110:

15 (1) The amount of the tax credit shall not exceed fifty
16 percent of the total amount contributed during the taxable year
17 by the business firm or, in the case of a financial institution,
18 where applicable, during the relevant income period in programs
19 approved pursuant to section 32.110;

20 (2) Except as provided in subsection 2 or 5 of this
21 section, a tax credit of up to seventy percent may be allowed for
22 contributions to programs where activities fall within the scope
23 of special program priorities as defined with the approval of the
24 governor in regulations promulgated by the director of the
25 department of economic development;

26 (3) Except as provided in subsection 2 or 5 of this
27 section, the tax credit allowed for contributions to programs
28 located in any community shall be equal to seventy percent of the

1 total amount contributed where such community is a city, town or
2 village which has fifteen thousand or less inhabitants as of the
3 last decennial census and is located in a county which is either
4 located in:

5 (a) An area that is not part of a standard metropolitan
6 statistical area;

7 (b) A standard metropolitan statistical area but such
8 county has only one city, town or village which has more than
9 fifteen thousand inhabitants; or

10 (c) A standard metropolitan statistical area and a
11 substantial number of persons in such county derive their income
12 from agriculture. Such community may also be in an
13 unincorporated area in such county as provided in subdivision
14 (1), (2) or (3) of this subsection. Except in no case shall the
15 total economic benefit of the combined federal and state tax
16 savings to the taxpayer exceed the amount contributed by the
17 taxpayer during the tax year;

18 (4) Such tax credit allocation, equal to seventy percent of
19 the total amount contributed, shall not exceed four million
20 dollars in fiscal year 1999 and six million dollars in fiscal
21 year 2000 and any subsequent fiscal year. When the maximum
22 dollar limit on the seventy percent tax credit allocation is
23 committed, the tax credit allocation for such programs shall then
24 be equal to fifty percent credit of the total amount contributed.
25 Regulations establishing special program priorities are to be
26 promulgated during the first month of each fiscal year and at
27 such times during the year as the public interest dictates. Such
28 credit shall not exceed two hundred and fifty thousand dollars

1 annually except as provided in subdivision (5) of this
2 subsection. No tax credit shall be approved for any bank, bank
3 and trust company, insurance company, trust company, national
4 bank, savings association, or building and loan association for
5 activities that are a part of its normal course of business. Any
6 tax credit not used in the period the contribution was made may
7 be carried over the next five succeeding calendar or fiscal years
8 until the full credit has been claimed. Except as otherwise
9 provided for proposals approved pursuant to section 32.111,
10 32.112 or 32.117, in no event shall the total amount of all other
11 tax credits allowed pursuant to sections 32.100 to 32.125 exceed
12 thirty-two million dollars in any one fiscal year, of which six
13 million shall be credits allowed pursuant to section 135.460. If
14 six million dollars in credits are not approved, then the
15 remaining credits may be used for programs approved pursuant to
16 sections 32.100 to 32.125;

17 (5) The credit may exceed two hundred fifty thousand
18 dollars annually and shall not be limited if community services,
19 crime prevention, education, job training, physical
20 revitalization or economic development, as defined by section
21 32.105, is rendered in an area defined by federal or state law as
22 an impoverished, economically distressed, or blighted area or as
23 a neighborhood experiencing problems endangering its existence as
24 a viable and stable neighborhood, or if the community services,
25 crime prevention, education, job training, physical
26 revitalization or economic development is limited to impoverished
27 persons. Beginning August 28, 2013, no new tax credits shall be
28 granted for programs under section 32.110. The provisions of

1 this subdivision shall not be construed to limit or impair the
2 ability of any administering agency to issue tax credits
3 authorized prior to August 28, 2013, or the ability of any
4 taxpayer to redeem any such tax credits

5 3. For proposals approved pursuant to section 32.111:

6 (1) The amount of the tax credit shall not exceed
7 fifty-five percent of the total amount invested in affordable
8 housing assistance activities or market rate housing in
9 distressed communities as defined in section 135.530 by a
10 business firm. Whenever such investment is made in the form of
11 an equity investment or a loan, as opposed to a donation alone,
12 tax credits may be claimed only where the loan or equity
13 investment is accompanied by a donation which is eligible for
14 federal income tax charitable deduction, and where the total
15 value of the tax credits herein plus the value of the federal
16 income tax charitable deduction is less than or equal to the
17 value of the donation. Any tax credit not used in the period for
18 which the credit was approved may be carried over the next ten
19 succeeding calendar or fiscal years until the full credit has
20 been allowed. If the affordable housing units or market rate
21 housing units in distressed communities for which a tax is
22 claimed are within a larger structure, parts of which are not the
23 subject of a tax credit claim, then expenditures applicable to
24 the entire structure shall be reduced on a prorated basis in
25 proportion to the ratio of the number of square feet devoted to
26 the affordable housing units or market rate housing units in
27 distressed communities, for purposes of determining the amount of
28 the tax credit. The total amount of tax credit granted for

1 programs approved pursuant to section 32.111 for the fiscal year
2 beginning July 1, 1991, shall not exceed two million dollars, to
3 be increased by no more than two million dollars each succeeding
4 fiscal year, until the total tax credits that may be approved
5 reaches ten million dollars in any fiscal year. Beginning August
6 28, 2013, no new tax credits shall be granted for programs under
7 section 32.111. The provisions of this subdivision shall not be
8 construed to limit or impair the ability of any administering
9 agency to issue tax credits authorized prior to August 28, 2013,
10 or the ability of any taxpayer to redeem any such tax credits;

11 (2) For any year during the compliance period indicated in
12 the land use restriction agreement, the owner of the affordable
13 housing rental units for which a credit is being claimed shall
14 certify to the commission that all tenants renting claimed units
15 are income eligible for affordable housing units and that the
16 rentals for each claimed unit are in compliance with the
17 provisions of sections 32.100 to 32.125. The commission is
18 authorized, in its discretion, to audit the records and accounts
19 of the owner to verify such certification;

20 (3) In the case of owner-occupied affordable housing units,
21 the qualifying owner occupant shall, before the end of the first
22 year in which credits are claimed, certify to the commission that
23 the occupant is income eligible during the preceding two years,
24 and at the time of the initial purchase contract, but not
25 thereafter. The qualifying owner occupant shall further certify
26 to the commission, before the end of the first year in which
27 credits are claimed, that during the compliance period indicated
28 in the land use restriction agreement, the cost of the affordable

1 housing unit to the occupant for the claimed unit can reasonably
2 be projected to be in compliance with the provisions of sections
3 32.100 to 32.125. Any succeeding owner occupant acquiring the
4 affordable housing unit during the compliance period indicated in
5 the land use restriction agreement shall make the same
6 certification;

7 (4) If at any time during the compliance period the
8 commission determines a project for which a proposal has been
9 approved is not in compliance with the applicable provisions of
10 sections 32.100 to 32.125 or rules promulgated therefor, the
11 commission may within one hundred fifty days of notice to the
12 owner either seek injunctive enforcement action against the
13 owner, or seek legal damages against the owner representing the
14 value of the tax credits, or foreclose on the lien in the land
15 use restriction agreement, selling the project at a public sale,
16 and paying to the owner the proceeds of the sale, less the costs
17 of the sale and less the value of all tax credits allowed herein.
18 The commission shall remit to the director of revenue the portion
19 of the legal damages collected or the sale proceeds representing
20 the value of the tax credits. However, except in the event of
21 intentional fraud by the taxpayer, the proposal's certificate of
22 eligibility for tax credits shall not be revoked.

23 4. For proposals approved pursuant to section 32.112, the
24 amount of the tax credit shall not exceed fifty-five percent of
25 the total amount contributed to a neighborhood organization by
26 business firms. Any tax credit not used in the period for which
27 the credit was approved may be carried over the next ten
28 succeeding calendar or fiscal years until the full credit has

1 been allowed. The total amount of tax credit granted for
2 programs approved pursuant to section 32.112 shall not exceed one
3 million dollars for each fiscal year.

4 5. The total amount of tax credits used for market rate
5 housing in distressed communities pursuant to sections 32.100 to
6 32.125 shall not exceed thirty percent of the total amount of all
7 tax credits authorized pursuant to sections 32.111 and 32.112.

8 67.2050. 1. As used in this section, unless the context
9 clearly indicates otherwise, the following terms mean:

10 (1) "Facility", a location composed of real estate,
11 buildings, fixtures, machinery, and equipment;

12 (2) "Municipality", any county, city, incorporated town,
13 village of the state, or any utilities board thereof;

14 (3) "NAICS", the 2007 edition of the North American
15 Industry Classification System developed under the direction and
16 guidance of the federal Office of Management and Budget. Any
17 NAICS sector, subsector, industry group, or industry identified
18 in this section shall include its corresponding classification in
19 previous and subsequent federal industry classification systems;

20 (4) "Technology business facility", a facility purchased,
21 constructed, extended, or improved under this section, provided
22 that such business facility is engaged in:

23 (a) Data processing, hosting, and related services (NAICS
24 518210);

25 (b) Internet publishing and broadcasting and web search
26 portals (NAICS 519130) at the business facility; or

27 (c) The transmission of voice, data, text, sound, and video
28 using wired telecommunication networks (NAICS 517110);

1 (5) "Technology business facility project" or "project",
2 the purchase, sale, lease, construction, extension, and
3 improvement of technology business facilities, whether of the
4 facility as a whole or of any one or more of the facility's
5 components of real estate, buildings, fixtures, machinery, and
6 equipment.

7 2. The governing body of any municipality may:

8 (1) Carry out technology business facility projects for
9 economic development under this section;

10 (2) Accept grants from the federal and state governments
11 for technology business facility project purposes, and may enter
12 into such agreements as are not contrary to the laws of this
13 state and which may be required as a condition of grants by the
14 federal government or its agencies; and

15 (3) Receive gifts and donations from private sources to be
16 used for technology business facility project purposes.

17 3. The governing body of the municipality may enter into
18 loan agreements, sell, lease, or mortgage to private persons,
19 partnerships, or corporations any one or more of the components
20 of a facility received, purchased, constructed, or extended by
21 the municipality for development of a technology business
22 facility project. The loan agreement, installment sale
23 agreement, lease, or other such document shall contain such other
24 terms as are agreed upon between the municipality and the
25 obligor, provided that such terms shall be consistent with this
26 section. When, in the judgment of the governing body of the
27 municipality, the technology business facility project will
28 result in economic benefits to the municipality, the governing

1 body may lawfully enter into an agreement that includes nominal
2 monetary consideration to the municipality in exchange for the
3 use of one or more components of the facility.

4 4. Transactions involving the lease or rental of any
5 components of a project under this section shall be specifically
6 exempted from the provisions of local sales tax law as defined in
7 sections 32.085, 238.235, 144.010 to 144.525, and 144.600 to
8 144.761 and from the computation of the tax levied, assessed, or
9 payable under local sales tax law as defined in sections 32.085,
10 144.010 to 144.525, 144.600 to 144.745, and 238.235.

11 5. Leasehold interests granted and held under this section
12 shall not be subject to property taxes.

13 6. Any payments in lieu of taxes expected to be made by any
14 lessee of the project shall be applied in accordance with this
15 section. The lessee may reimburse the municipality for its
16 actual costs of administering the plan. All amounts paid in
17 excess of such actual costs shall, immediately upon receipt
18 thereof, be disbursed by the municipality's treasurer or other
19 financial officer to each affected taxing entity in proportion to
20 the current ad valorem tax levy of each affected taxing entity.

21 7. The county assessor shall include the current assessed
22 value of all property within the affected taxing entities in the
23 aggregate valuation of assessed property entered upon the
24 assessor's book and verified under section 137.245, and such
25 value shall be used for the purpose of the debt limitation on
26 local government under article VI, section 26(b), Constitution of
27 Missouri.

28 8. The governing body of any municipality may sell or

1 otherwise dispose of the property, buildings, or plants acquired
2 under this section to private persons or corporations for
3 technology business facility project purposes upon approval by
4 the governing body. The terms and method of the sale or other
5 disposal shall be established by the governing body so as to
6 reasonably protect the economic well-being of the municipality
7 and to promote the development of technology business facility
8 projects. A private person or corporation that initially
9 transfers property to the municipality for the purposes of a
10 technology business facility project and does not charge a
11 purchase price to the municipality shall retain the right, upon
12 request to the municipality, to have the municipality retransfer
13 the donated property to the person or corporation at no cost.

14 9. The provisions of this section shall not be construed to
15 allow political subdivisions to provide telecommunications
16 services or telecommunications facilities to the extent that they
17 are prohibited from doing so by section 392.410.

18 99.1205. 1. This section shall be known and may be cited as
19 the "Distressed Areas Land Assemblage Tax Credit Act".

20 2. As used in this section, the following terms mean:

21 (1) "Acquisition costs", the purchase price for the eligible
22 parcel, costs of environmental assessments, closing costs, real
23 estate brokerage fees, reasonable demolition costs of vacant
24 structures or any portion thereof, together with site and
25 redevelopment area planning and engineering costs regarding one
26 or more eligible parcels, and reasonable maintenance costs
27 incurred to maintain an acquired eligible parcel for a period of
28 [five] twelve years after the acquisition of such eligible

1 parcel. Acquisition costs shall not include costs for title
2 insurance and survey, attorney's fees, relocation costs, fines,
3 or bills from a municipality;

4 (2) "Applicant", any person, firm, partnership, trust,
5 limited liability company, or corporation which has:

6 (a) Incurred, within an eligible project area, acquisition
7 costs for the acquisition of land sufficient to satisfy the
8 requirements under subdivision (8) of this subsection; and

9 (b) Been appointed or selected, pursuant to a redevelopment
10 agreement by a municipal authority, as a redeveloper or similar
11 designation, under an economic incentive law, to redevelop an
12 urban renewal area or a redevelopment area that includes all of
13 an eligible project area or whose redevelopment plan or
14 redevelopment area, which encompasses all of an eligible project
15 area, has been approved or adopted under an economic incentive
16 law. In addition to being designated the redeveloper, the
17 applicant shall have been designated to receive economic
18 incentives only after the municipal authority has considered the
19 amount of the tax credits in adopting such economic incentives as
20 provided in subsection 8 of this section. The redevelopment
21 agreement shall provide that:

22 a. the funds generated through the use or sale of the tax
23 credits issued under this section shall be used to redevelop the
24 eligible project area;

25 b. No more than seventy-five percent of the urban renewal
26 area identified in the urban
27 renewal plan or the redevelopment area identified in the
28 redevelopment plan may be redeveloped by the applicant; and

1 c. The remainder of the urban renewal area or the
2 redevelopment area shall be redeveloped by co-redevelopers or
3 redevelopers to whom the applicant has assigned its
4 redevelopment rights and obligations under the urban renewal plan
5 or the redevelopment plan;

6 (3) "Certificate", a tax credit certificate issued under
7 this section;

8 (4) "Condemnation proceedings", any action taken by, or on
9 behalf of, an applicant to initiate an action in a court of
10 competent jurisdiction to use the power of eminent domain to
11 acquire a parcel within the eligible project area. Condemnation
12 proceedings shall include any and all actions taken after the
13 submission of a notice of intended acquisition to an owner of a
14 parcel within the eligible project area by a municipal authority
15 or any other person or entity under section 523.250;

16 (5) "Department", the Missouri department of economic
17 development;

18 (6) "Economic incentive laws", any provision of Missouri law
19 pursuant to which economic incentives are provided to
20 redevelopers of a parcel or parcels to redevelop the land, such
21 as tax abatement or payments in lieu of taxes, or redevelopment
22 plans or redevelopment projects approved or adopted which include
23 the use of economic incentives to redevelop the land. Economic
24 incentive laws include, but are not limited to, the land
25 clearance for redevelopment authority law under sections 99.300
26 to 99.660, the real property tax increment allocation
27 redevelopment act under sections 99.800 to 99.865, the Missouri
28 downtown and rural economic stimulus act under sections 99.915 to

1 99.1060, and the downtown revitalization preservation program
2 under sections 99.1080 to 99.1092;

3 (7) "Eligible parcel", a parcel:

4 (a) Which is located within an eligible project area;

5 (b) Which is to be redeveloped;

6 (c) On which the applicant has not commenced construction
7 prior to November 28, 2007;

8 (d) Which has been acquired either directly by the
9 applicant, or on behalf of the applicant through one or more
10 affiliated companies controlled by the applicant or under common
11 ownership with the applicant;

12 (e) Which has been acquired without the commencement of any
13 condemnation proceedings with respect to such parcel brought by
14 or on behalf of the applicant. Any parcel acquired before August
15 28, 2007, by the applicant from a municipal authority shall not
16 constitute an eligible parcel; and

17 **[(e)]** (f) On which all outstanding taxes, fines, and bills
18 levied by municipal governments that were levied by the
19 municipality during the time period that the applicant held title
20 to the eligible parcel have been paid in full;

21 (8) "Eligible project area", an area which shall have
22 satisfied the following requirements:

23 (a) The eligible project area shall consist of at least
24 seventy-five acres and may include parcels within its boundaries
25 that do not constitute an eligible parcel;

26 (b) At least eighty percent of the eligible project area
27 shall be located within a Missouri qualified census tract area,
28 as designated by the United States Department of Housing and

1 Urban Development under 26 U.S.C. Section 42, or within a
2 distressed community as that term is defined in section 135.530.

3 (c) Any area including and within one quarter mile of
4 property formerly utilized by the state of Missouri as a
5 penitentiary located in any home rule city with more than forty-
6 one thousand but fewer than forty-seven thousand inhabitants and
7 partially located in any county of the first classification with
8 more than seventy thousand but fewer than eighty-three thousand
9 inhabitants.

10 [(c)] (d) The eligible parcels acquired by the applicant
11 within the eligible project area shall total at least fifty
12 acres, which may consist of contiguous and noncontiguous parcels,
13 but shall not include any parcel acquired by the applicant from a
14 municipal authority;

15 [(d)] (e) The average number of parcels per acre in an
16 eligible project area shall be four or more;

17 [(e)] (f) Less than five percent of the acreage within the
18 boundaries of the eligible project area shall consist of owner-
19 occupied residences which the applicant has identified for
20 acquisition under the urban renewal plan or the redevelopment
21 plan pursuant to which the applicant was appointed or selected as
22 the redeveloper or by which the person or entity was qualified as
23 an applicant under this section on the date of the approval or
24 adoption of such plan;

25 (9) "Interest costs", interest, loan fees, and closing
26 costs, any of which relate to or arise out of loans relating to
27 acquisition costs, including without limitation, interest, loan
28 fees and closing costs associated with the refinancing of loans

1 relating to acquisition costs. Interest costs shall not include
2 attorney's fees;

3 (10) "Maintenance costs", costs of boarding up and securing
4 vacant structures, costs of removing trash, and costs of cutting
5 grass and weeds;

6 (11) "Municipal authority", any city, town, village, county,
7 public body corporate and politic, political subdivision, or land
8 trust of this state established and authorized to own land within
9 the state;

10 (12) "Municipality", any city, town, village, or county;

11 (13) "Parcel", a single lot or tract of land, and the
12 improvements thereon, owned by, or recorded as the property of,
13 one or more persons or entities;

14 (14) "Redeveloped", the process of undertaking and carrying
15 out a redevelopment plan or urban renewal plan pursuant to which
16 the conditions which provided the basis for an eligible project
17 area to be included in a redevelopment plan or urban renewal plan
18 are to be reduced or eliminated by redevelopment or
19 rehabilitation; and

20 (15) "Redevelopment agreement", the redevelopment agreement
21 or similar agreement into which the applicant entered with a
22 municipal authority and which is the agreement for the
23 implementation of the urban renewal plan or redevelopment plan
24 pursuant to which the applicant was appointed or selected as the
25 redeveloper or by which the person or entity was qualified as an
26 applicant under this section; and such appointment or selection
27 shall have been approved by an ordinance of the governing body of
28 the municipality, or municipalities, or in the case of any city

1 not within a county, the board of aldermen, in which the eligible
2 project area is located. The redevelopment agreement shall
3 include a time line for redevelopment of the eligible project
4 area, including deadlines for commencement of work and for
5 project completion, and shall provide the municipal authority the
6 right to terminate the rights of the redeveloper under the
7 redemption agreement if such deadlines are not met. The
8 redevelopment agreement shall state that the named developer
9 shall be subject to the provisions of chapter 290.

10 3. Subject to the limitations provided in subsection 7 of
11 this section, any applicant shall be entitled to a tax credit
12 against the taxes imposed under chapters 143, 147, and 148,
13 except for sections 143.191 to 143.265, in an amount equal to
14 fifty percent of the acquisition costs, and one hundred percent
15 of the interest costs incurred for a period of ~~[five]~~ twelve
16 years after the acquisition of an eligible parcel. [No tax
17 credits shall be issued under this section until after January 1,
18 2008.]

19 4. If the amount of such tax credit exceeds the total tax
20 liability for the year in which the applicant is entitled to
21 receive a tax credit, the amount that exceeds the state tax
22 liability may be carried forward for credit against the taxes
23 imposed under chapters 143, 147, and 148 for the succeeding six
24 years, or until the full credit is used, whichever occurs first.
25 The applicant shall not be entitled to a tax credit for taxes
26 imposed under sections 143.191 to 143.265. Applicants entitled
27 to receive such tax credits may transfer, sell, or assign the tax
28 credits. Tax credits granted to a partnership, a limited

1 liability company taxed as a partnership, or multiple owners of
2 property shall be passed through to the partners, members, or
3 owners respectively pro rata or pursuant to an executed agreement
4 among the partners, members, or owners documenting an alternate
5 distribution method.

6 5. A purchaser, transferee, or assignee of the tax credits
7 authorized under this section may use acquired tax credits to
8 offset up to one hundred percent of the tax liabilities otherwise
9 imposed under chapters 143, 147, and 148, except for sections
10 143.191 to 143.265. A seller, transferor, or assignor shall
11 perfect such transfer by notifying the department in writing
12 within thirty calendar days following the effective date of the
13 transfer and shall provide any information as may be required by
14 the department to administer and carry out the provisions of this
15 section.

16 6. To claim tax credits authorized under this section, an
17 applicant shall submit to the department an application for a
18 certificate. An applicant shall identify the boundaries of the
19 eligible project area in the application. The department shall
20 verify that the applicant has submitted a valid application in
21 the form and format required by the department. The department
22 shall verify that the municipal authority held the requisite
23 hearings and gave the requisite notices for such hearings in
24 accordance with the applicable economic incentive act, and
25 municipal ordinances. On ~~[an annual]~~ a quarterly basis, an
26 applicant may file for the tax credit for the acquisition costs,
27 and for the tax credit for the interest costs, subject to the
28 limitations of this section. If an applicant applying for the

1 tax credit meets the criteria required under this section, the
2 department shall issue a certificate in the appropriate amount.
3 If an applicant receives a tax credit for maintenance costs as a
4 part of the applicant's acquisition costs, the department shall
5 post on its internet website the amount and type of maintenance
6 costs and a description of the redevelopment project for which
7 the applicant received a tax credit within thirty days after the
8 department issues the certificate to the applicant.

9 7. The total aggregate amount of tax credits authorized
10 under this section shall not exceed ninety-five million dollars.
11 At no time shall the annual amount of the tax credits issued
12 under this section exceed twenty million dollars. If the tax
13 credits that are to be issued under this section exceed, in any
14 year, the twenty million dollar limitation, the department shall
15 either:

16 (1) Issue tax credits to the applicant in the amount of
17 twenty million dollars, if there is only one applicant entitled
18 to receive tax credits in that year; or

19 (2) Issue the tax credits on a pro rata basis to all
20 applicants entitled to receive tax credits in that year as
21 provided in this subdivision. The department shall determine on
22 an ongoing basis during the course of each calendar year the
23 amount of tax credits that have been issued to each applicant for
24 each eligible project area during such year, and the amount of
25 tax credits remaining available for issuance with respect to such
26 calendar year, if any. Any amount of tax credits, which an
27 applicant is, or applicants are, entitled to receive on an annual
28 basis and are not issued due to the twenty million dollar

1 limitation, shall be carried forward for the benefit of the
2 applicant or applicants to subsequent years. No tax credits
3 provided under this section shall be authorized after August 28,
4 ~~[2013]~~ 2019. Any tax credits which have been authorized on or
5 before August 28, ~~[2013]~~ 2019, but not issued, may be issued,
6 subject to the limitations provided under this subsection, until
7 all such authorized tax credits have been issued.

8 8. Upon issuance of any tax credits pursuant to this
9 section, the department shall report to the municipal authority
10 the applicant's name and address, the parcel numbers of the
11 eligible parcels for which the tax credits were issued, the
12 itemized acquisition costs and interest costs for which tax
13 credits were issued, and the total value of the tax credits
14 issued. The municipal authority and the state shall not consider
15 the amount of the tax credits as an applicant's cost, but shall
16 include ~~[the]~~ issued tax credits in any subsequent sources and
17 uses and cost benefit analysis reviewed or created for the
18 purpose of awarding other economic incentives. The amount of the
19 tax credits shall not be considered an applicant's cost in the
20 evaluation of the amount of any award of any other economic
21 incentives, but shall be considered in measuring the
22 reasonableness of the rate of return to the applicant with
23 respect to such award of other economic incentives. The
24 municipal authority shall provide the report to any relevant
25 commission, board, or entity responsible for the evaluation and
26 recommendation or approval of other economic incentives to assist
27 in the redevelopment of the eligible project area. Tax credits
28 authorized under this section shall constitute redevelopment tax

1 credits, as such term is defined under section 135.800, and shall
2 be subject to all provisions applicable to redevelopment tax
3 credits provided under sections 135.800 to 135.830.

4 9. Following its initial application for tax credits under
5 this section for eligible costs incurred in 2013 or any following
6 year, and during the period it continues to seek tax credits
7 under this section, an applicant shall submit to the department
8 on a quarterly basis at the end of each calendar quarter a report
9 affirming such applicant's continued qualification as an
10 applicant under this section, describing the applicant's progress
11 toward meeting the deadlines for commencement of work and for
12 project completion established under its redevelopment agreement
13 with the applicable municipal authority, and including copies of
14 any written notices from such municipal authority asserting or
15 threatening a termination of such development agreement due to a
16 breach or default in the performance of such applicant's
17 obligations under such redevelopment agreement. The department
18 shall review annually the eligibility of each applicant to
19 receive tax credits under this section. The department shall not
20 issue to an applicant any tax credits provided under this section
21 after the date upon which the governing body of the municipality,
22 or municipalities, or in the case of any city not within a
23 county, the board of aldermen, makes a finding that the applicant
24 has failed to comply with deadlines regarding project
25 commencement or completion or other material provisions of its
26 redevelopment agreement with an applicant, and in furtherance of
27 such finding the governing body validly adopts an ordinance
28 terminating its redevelopment agreement with the applicant, with

1 the result that such applicant no longer satisfies the
2 requirements of paragraph (b) of subdivision (2) of subsection 2
3 of this section. The governing body shall notify the department
4 of the governing body's findings and shall deliver to the
5 department a certified copy of the ordinance terminating such
6 redevelopment agreement as soon as practicable.

7 10. The department may promulgate rules to implement the
8 provisions of this section. Any rule or portion of a rule, as
9 that term is defined in section 36.010, that is created under the
10 authority delegated in this section shall become effective only
11 if it complies with and is subject to all of the provisions of
12 chapter 536 and, if applicable, section 536.028. This section
13 and chapter 536 are nonseverable and if any of the powers vested
14 with the general assembly pursuant to chapter 536 to review, to
15 delay the effective date, or to disapprove and annul a rule are
16 subsequently held unconstitutional, then the grant of rulemaking
17 authority and any rule proposed or adopted after August 28, 2007,
18 shall be invalid and void.

19 135.305. A Missouri wood energy producer shall be eligible
20 for a tax credit on taxes otherwise due under chapter 143, except
21 sections 143.191 to 143.261, as a production incentive to produce
22 processed wood products in a qualified wood-producing facility
23 using Missouri forest product residue. The tax credit to the
24 wood energy producer shall be five dollars per ton of processed
25 material. The credit may be claimed for a period of five years
26 and is to be a tax credit against the tax otherwise due. No new
27 tax credits, provided for under sections 135.300 to 135.311,
28 shall be authorized after June 30, [2013] 2019. In no event

1 shall the aggregate amount of all tax credits allowed pursuant to
2 sections 135.300 to 135.311 exceed three million five hundred
3 thousand dollars in any given fiscal year.

4 135.350. As used in this section, unless the context
5 clearly requires otherwise, the following words and phrases shall
6 mean:

7 (1) "Commission", the Missouri housing development
8 commission, or its successor agency;

9 (2) "Director", director of the department of revenue;

10 (3) "Eligibility statement", a statement authorized and
11 issued by the commission certifying that a given project
12 qualifies for the Missouri low-income housing tax credit. The
13 commission shall promulgate rules establishing criteria upon
14 which the eligibility statements will be issued. The eligibility
15 statement shall specify the amount of the Missouri low-income
16 housing tax credit allowed. The commission shall only authorize
17 the tax credits to qualified projects which begin after June 18,
18 1991;

19 (4) "Federal credit period", the same meaning as is
20 prescribed the term "credit period" under section 42 of the 1986
21 Internal Revenue Code, as amended;

22 (5) "Federal low-income housing tax credit", the federal
23 tax credit as provided in section 42 of the 1986 Internal Revenue
24 Code, as amended;

25 [(5)] (6) "Low-income project", a housing project which has
26 restricted rents that do not exceed thirty percent of median
27 income for at least forty percent of its units occupied by
28 persons of families having incomes of sixty percent or less of

1 the median income, or at least twenty percent of the units
2 occupied by persons or families having incomes of fifty percent
3 or less of the median income;

4 [(6)] (7) "Median income", those incomes which are
5 determined by the federal Department of Housing and Urban
6 Development guidelines and adjusted for family size;

7 [(7)] (8) "Qualified Missouri project", a qualified
8 low-income building as that term is defined in section 42 of the
9 1986 Internal Revenue Code, as amended, which is located in
10 Missouri;

11 [(8)] (9) "Taxpayer", person, firm or corporation subject
12 to the state income tax imposed by the provisions of chapter 143
13 (except withholding imposed by sections 143.191 to 143.265) or a
14 corporation subject to the annual corporation franchise tax
15 imposed by the provisions of chapter 147, or an insurance company
16 paying an annual tax on its gross premium receipts in this state,
17 or other financial institution paying taxes to the state of
18 Missouri or any political subdivision of this state under the
19 provisions of chapter 148, or an express company which pays an
20 annual tax on its gross receipts in this state.

21 135.352. 1. A taxpayer owning an interest in a qualified
22 Missouri project shall, subject to the limitations provided under
23 the provisions of subsection 3 of this section, be allowed a
24 state tax credit, whether or not allowed a federal tax credit, to
25 be termed the Missouri low-income housing tax credit, if the
26 commission issues an eligibility statement for that project.

27 2. For qualified Missouri projects placed in service after
28 January 1, 1997, the Missouri low-income housing tax credit

1 available to a project shall be such amount as the commission
2 shall determine is necessary to ensure the feasibility of the
3 project, up to an amount equal to the federal low-income housing
4 tax credit for a qualified Missouri project, for a federal [tax]
5 credit period, and such amount shall be subtracted from the
6 amount of state tax otherwise due for the same tax period.

7 3. No more than six million dollars in tax credits shall
8 be authorized each fiscal year ending on or before June 30, 2014,
9 for projects financed through tax-exempt bond issuance.

10 4. For purposes of the limitations provided under this
11 subsection, the aggregate amount of tax credits allowed over a
12 federal credit period shall be attributed to the fiscal year in
13 which such credits are authorized by the commission for a
14 qualified Missouri project. For each fiscal year beginning on or
15 after July 1, 2014, there shall be a four million dollar cap on
16 tax credit authorizations for projects which are financed through
17 tax exempt bond issuance. For projects which are not financed
18 through tax exempt bond issuance, the maximum amount of tax
19 credits authorized shall be as follows:

20 (1) For fiscal year 2014, one hundred thirty million
21 dollars;

22 (2) For fiscal year 2015, one hundred twenty-five million
23 dollars;

24 (3) For fiscal year 2016, one hundred twenty million
25 dollars;

26 (4) For fiscal year 2017, one hundred fifteen million
27 dollars; and

28 (5) For the fiscal years beginning in 2018 and after, one

1 hundred ten million dollars.

2 5. The Missouri low-income housing tax credit shall be
3 taken against the taxes and in the order specified pursuant to
4 section 32.115. The credit authorized by this section shall not
5 be refundable. Any amount of credit that exceeds the tax due for
6 a taxpayer's taxable year may be carried back to any of the
7 taxpayer's three prior taxable years or carried forward to any of
8 the taxpayer's five subsequent taxable years. For projects
9 authorized on or after July 1, 2014, any amount of credit that
10 exceeds the tax due for a taxpayer's taxable year shall not be
11 eligible to be carried back, but may be carried forward to any of
12 the taxpayer's two subsequent taxable years.

13 [5.] 6. All or any portion of Missouri tax credits issued
14 in accordance with the provisions of sections 135.350 to 135.362
15 may be allocated to parties who are eligible pursuant to the
16 provisions of subsection 1 of this section. Beginning January 1,
17 1995, for qualified projects which began on or after January 1,
18 1994, an owner of a qualified Missouri project shall certify to
19 the director the amount of credit allocated to each taxpayer.
20 The owner of the project shall provide to the director
21 appropriate information so that the low-income housing tax credit
22 can be properly allocated.

23 [6.] 7. In the event that recapture of Missouri low-income
24 housing tax credits is required pursuant to subsection 2 of
25 section 135.355, any statement submitted to the director as
26 provided in this section shall include the proportion of the
27 state credit required to be recaptured, the identity of each
28 taxpayer subject to the recapture and the amount of credit

1 previously allocated to such taxpayer.

2 8. A taxpayer that receives state tax credits under the
3 provisions of sections 253.545 to 253.559 shall be ineligible to
4 receive state tax credits under the provisions of sections
5 135.350 to 135.363 for the same project, if such project is not
6 financed through tax exempt bond issuance.

7 [7.] 9. The director of the department may promulgate rules
8 and regulations necessary to administer the provisions of this
9 section. No rule or portion of a rule promulgated pursuant to
10 the authority of this section shall become effective unless it
11 has been promulgated pursuant to the provisions of section
12 536.024.

13 135.484. 1. Beginning January 1, 2000, tax credits shall
14 be allowed pursuant to section 135.481 in an amount not to exceed
15 sixteen million dollars per year. Of this total amount of tax
16 credits in any given year, eight million dollars shall be set
17 aside for projects in areas described in subdivision (6) of
18 section 135.478 and eight million dollars for projects in areas
19 described in subdivision (10) of section 135.478. The maximum
20 tax credit for a project consisting of multiple-unit qualifying
21 residences in a distressed community shall not exceed three
22 million dollars.

23 2. Any amount of credit which exceeds the tax liability of
24 a taxpayer for the tax year in which the credit is first claimed
25 may be carried back to any of the taxpayer's three prior tax
26 years and carried forward to any of the taxpayer's five
27 subsequent tax years. A certificate of tax credit issued to a
28 taxpayer by the department may be assigned, transferred, sold or

1 otherwise conveyed. Whenever a certificate of tax credit is
2 assigned, transferred, sold or otherwise conveyed, a notarized
3 endorsement shall be filed with the department specifying the
4 name and address of the new owner of the tax credit and the value
5 of the credit.

6 3. The tax credits allowed pursuant to sections 135.475 to
7 135.487 may not be claimed in addition to any other state tax
8 credits, with the exception of the historic structures
9 rehabilitation tax credit authorized pursuant to sections 253.545
10 to 253.559, which insofar as sections 135.475 to 135.487 are
11 concerned may be claimed only in conjunction with the tax credit
12 allowed pursuant to subsection 4 of section 135.481. In order
13 for a taxpayer eligible for the historic structures
14 rehabilitation tax credit to claim the tax credit allowed
15 pursuant to subsection 4 of section 135.481, the taxpayer must
16 comply with the requirements of sections 253.545 to 253.559, and
17 in such cases, the amount of the tax credit pursuant to
18 subsection 4 of section 135.481 shall be limited to the lesser of
19 twenty percent of the taxpayer's eligible costs or forty thousand
20 dollars.

21 4. No tax credits provided under sections 135.475 to
22 135.487 shall be authorized on or after the effective date of
23 this act. The provisions of this subsection shall not be
24 construed to limit or in any way impair the department's ability
25 to issue tax credits authorized prior to the effective date of
26 this act, or a taxpayer's ability to redeem such tax credits.

27 135.630. 1. As used in this section, the following terms
28 mean:

29 (1) "Contribution", a donation of cash, stock, bonds, or

1 other marketable securities, or real property;

2 (2) "Director", the director of the department of social
3 services;

4 (3) "Pregnancy resource center", a nonresidential facility
5 located in this state:

6 (a) Established and operating primarily to provide
7 assistance to women with crisis pregnancies or unplanned
8 pregnancies by offering pregnancy testing, counseling, emotional
9 and material support, and other similar services to encourage and
10 assist such women in carrying their pregnancies to term; and

11 (b) Where childbirths are not performed; and

12 (c) Which does not perform, induce, or refer for abortions
13 and which does not hold itself out as performing, inducing, or
14 referring for abortions; and

15 (d) Which provides direct client services at the facility,
16 as opposed to merely providing counseling or referral services by
17 telephone; and

18 (e) Which provides its services at no cost to its clients;
19 and

20 (f) When providing medical services, such medical services
21 must be performed in accordance with Missouri statute; and

22 (g) Which is exempt from income taxation pursuant to the
23 Internal Revenue Code of 1986, as amended;

24 (4) "State tax liability", in the case of a business
25 taxpayer, any liability incurred by such taxpayer pursuant to the
26 provisions of chapters 143, 147, 148, and 153, excluding sections
27 143.191 to 143.265 and related provisions, and in the case of an
28 individual taxpayer, any liability incurred by such taxpayer
29 pursuant to the provisions of chapter 143, excluding sections

1 143.191 to 143.265 and related provisions;

2 (5) "Taxpayer", a person, firm, a partner in a firm,
3 corporation, or a shareholder in an S corporation doing business
4 in the state of Missouri and subject to the state income tax
5 imposed by the provisions of chapter 143, or a corporation
6 subject to the annual corporation franchise tax imposed by the
7 provisions of chapter 147, or an insurance company paying an
8 annual tax on its gross premium receipts in this state, or other
9 financial institution paying taxes to the state of Missouri or
10 any political subdivision of this state pursuant to the
11 provisions of chapter 148, or an express company which pays an
12 annual tax on its gross receipts in this state pursuant to
13 chapter 153, or an individual subject to the state income tax
14 imposed by the provisions of chapter 143, or any charitable
15 organization which is exempt from federal income tax and whose
16 Missouri unrelated business taxable income, if any, would be
17 subject to the state income tax imposed under chapter 143.

18 2. (1) Beginning on the effective date of this act, any
19 contribution to a pregnancy resource center made on or after
20 January 1, 2013, shall be eligible for tax credits as provided by
21 this section;

22 (2) For all tax years beginning on or after January 1,
23 2007, a taxpayer shall be allowed to claim a tax credit against
24 the taxpayer's state tax liability in an amount equal to fifty
25 percent of the amount such taxpayer contributed to a pregnancy
26 resource center.

27 3. The amount of the tax credit claimed shall not exceed
28 the amount of the taxpayer's state tax liability for the taxable
29 year for which the credit is claimed, and such taxpayer shall not

1 be allowed to claim a tax credit in excess of fifty thousand
2 dollars per taxable year. However, any tax credit that cannot be
3 claimed in the taxable year the contribution was made may be
4 carried over to the next four succeeding taxable years until the
5 full credit has been claimed.

6 4. Except for any excess credit which is carried over
7 pursuant to subsection 3 of this section, a taxpayer shall not be
8 allowed to claim a tax credit unless the total amount of such
9 taxpayer's contribution or contributions to a pregnancy resource
10 center or centers in such taxpayer's taxable year has a value of
11 at least one hundred dollars.

12 5. The director shall determine, at least annually, which
13 facilities in this state may be classified as pregnancy resource
14 centers. The director may require of a facility seeking to be
15 classified as a pregnancy resource center whatever information
16 which is reasonably necessary to make such a determination. The
17 director shall classify a facility as a pregnancy resource center
18 if such facility meets the definition set forth in subsection 1
19 of this section.

20 6. The director shall establish a procedure by which a
21 taxpayer can determine if a facility has been classified as a
22 pregnancy resource center. Pregnancy resource centers shall be
23 permitted to decline a contribution from a taxpayer. The
24 cumulative amount of tax credits which may be claimed by all the
25 taxpayers contributing to pregnancy resource centers in any one
26 fiscal year shall not exceed two million five hundred thousand
27 dollars. Tax credits shall be issued in the order contributions
28 are received.

29 7. The director shall establish a procedure by which, from

1 the beginning of the fiscal year until some point in time later
2 in the fiscal year to be determined by the director, the
3 cumulative amount of tax credits are equally apportioned among
4 all facilities classified as pregnancy resource centers. If a
5 pregnancy resource center fails to use all, or some percentage to
6 be determined by the director, of its apportioned tax credits
7 during this predetermined period of time, the director may
8 reapportion these unused tax credits to those pregnancy resource
9 centers that have used all, or some percentage to be determined
10 by the director, of their apportioned tax credits during this
11 predetermined period of time. The director may establish more
12 than one period of time and reapportion more than once during
13 each fiscal year. To the maximum extent possible, the director
14 shall establish the procedure described in this subsection in
15 such a manner as to ensure that taxpayers can claim all the tax
16 credits possible up to the cumulative amount of tax credits
17 available for the fiscal year.

18 8. Each pregnancy resource center shall provide information
19 to the director concerning the identity of each taxpayer making a
20 contribution to the pregnancy resource center who is claiming a
21 tax credit pursuant to this section and the amount of the
22 contribution. The director shall provide the information to the
23 director of revenue. The director shall be subject to the
24 confidentiality and penalty provisions of section 32.057 relating
25 to the disclosure of tax information.

26 9. Pursuant to section 23.253 of the Missouri sunset act:

27 (1) The program authorized under this section shall be
28 reauthorized as of the effective date of this act and shall
29 expire on December 31, 2019, unless reauthorized by the general

1 assembly; and

2 (2) This section shall terminate on September first of the
3 calendar year immediately following the calendar year in which a
4 program authorized under this section is sunset; and

5 (3) The provisions of this subsection shall not be
6 construed to limit or in any way impair the department's ability
7 to issue tax credits authorized on or before the date the program
8 authorized under this section expires or a taxpayer's ability to
9 redeem such tax credits.

10 135.1550. 1. Sections 135.1550 to 135.1575 shall be known
11 and may be cited as the "Missouri Export Incentive Act".

12 2. As used in sections 135.1550 to 135.1575, unless the
13 context clearly requires otherwise, the following terms shall
14 mean:

15 (1) "Air export tax credit", the tax credit against the
16 taxes imposed under chapters 143, 147, and 148, except for those
17 in sections 143.191 to 143.265, to be issued by the department to
18 a claiming freight forwarder for the shipment of air cargo on a
19 qualifying outbound flight;

20 (2) "Airport", any international airport located within the
21 state;

22 (3) "Chargeable kilo", the shipment of a kilo of freight,
23 as measured by the greater of:

24 (a) Actual weight; or

25 (b) A dimensional weight, as determined by the conversion
26 factors promulgated by the International Air Transport
27 Association, on a qualifying outbound flight;

28 (4) "Claiming freight forwarder", the freight forwarder
29 designated as the "agent" on the airway bill for the qualifying

1 outbound flight for which such air export tax credit is sought;

2 (5) "Department", the Missouri department of economic
3 development;

4 (6) "Direct international aircraft flight", a single
5 aircraft transoceanic flight that operates to an international
6 destination in accordance with the operator's bilateral route
7 authority;

8 (7) "Freight forwarder", a person who assumes
9 responsibility in the ordinary course of business for the
10 transportation of cargo from the place of receipt to the place of
11 destination, including the utilization of a qualifying outbound
12 flight;

13 (8) "Qualifying outbound flight", a direct international
14 aircraft flight that carries either all cargo or a mix of
15 passengers and cargo from the airport to an international
16 destination.

17 135.1555. 1. For all fiscal years beginning on or after
18 July 1, 2013, a claiming freight forwarder shall be entitled to
19 an air export tax credit for the shipment of cargo on a
20 qualifying outbound flight in an amount equal to forty cents per
21 chargeable kilo.

22 2. The department shall index, and the secretary of state
23 shall publish in the Missouri Register, the amount of the air
24 export tax credits to adjust each year depending upon
25 fluctuations in the cost of fuel for over-the-road
26 transportation.

27 135.1560. 1. To receive benefits provided under section
28 135.1555, a claiming freight forwarder shall file an application

1 with the department within one hundred twenty calendar days of
2 the date of shipment. The documentation to be presented by the
3 claiming freight forwarder in such an application shall consist
4 of the master airway bill for the shipment on the qualifying
5 outbound flight for which the claiming freight forwarder is
6 seeking air export tax credits. The department shall establish
7 procedures to allow claiming freight forwarders that file
8 applications for air export tax credits to receive such tax
9 credits within twenty business days of the filing of the
10 application.

11 2. If the fiscal year cap on the issuance of air export tax
12 credits provided under section 135.1565 is met in a given fiscal
13 year, then the amount of such tax credits that have been
14 authorized, but remain unissued, shall be carried forward and
15 issued in the subsequent fiscal year.

16 3. No tax credits provided under this section shall be
17 authorized after June 30, 2021. Any tax credits authorized on or
18 before June 30, 2021, but not issued, may be issued until all
19 such authorized tax credits have been issued.

20 135.1565. The total aggregate amount for air export tax
21 credits authorized under section 135.1555 shall not exceed sixty
22 million dollars. The amount of the air export tax credits issued
23 under section 135.1555 shall not exceed seven million five
24 hundred thousand dollars for each fiscal year beginning on or
25 after July 1, 2013, unless authorized by the department. Any
26 amount issued exceeding seven million five hundred thousand
27 dollars in a fiscal year shall be reduced first from the
28 authorized amount for the fiscal year ending June 30, 2021, and

1 then the preceding fiscal years, until all such authorized
2 credits have been issued.

3 135.1570. If the amount of any tax credit authorized under
4 sections 135.1550 to 135.1575 exceeds the total tax liability for
5 the year in which the applicant is entitled to receive a tax
6 credit, the amount that exceeds the state tax liability may be
7 carried forward for credit against the taxes imposed under
8 chapters 143, 147, and 148, except those in sections 143.191 to
9 143.265, for the succeeding six years, or until the full credit
10 is used, whichever occurs first. Tax credits authorized under
11 the provisions of sections 135.1550 to 135.1575 may be
12 transferred, sold, or otherwise assigned. Tax credits granted to
13 a partnership, a limited liability company taxed as a
14 partnership, or multiple owners of property shall be passed
15 through to the partners, members, or owners respectively pro rata
16 or pursuant to an executed agreement among the partners, members,
17 or owners documenting an alternate distribution method.

18 135.1575. 1. The department may promulgate rules to
19 implement the provisions of sections 135.1550 to 135.1575. Any
20 rule or portion of a rule, as that term is defined in section
21 536.010 that is created under the authority delegated in this
22 section shall become effective only if it complies with and is
23 subject to all of the provisions of chapter 536, and, if
24 applicable, section 536.028. This section and chapter 536 are
25 nonseverable and if any of the powers vested with the general
26 assembly pursuant to chapter 536, to review, to delay the
27 effective date, or to disapprove and annul a rule are
28 subsequently held unconstitutional, then the grant of rulemaking

1 authority and any rule proposed or adopted after the effective
2 date of this act, shall be invalid and void.

3 2. The provisions of section 23.253 of the Missouri sunset
4 act notwithstanding:

5 (1) The provisions of the new programs authorized under
6 sections 135.1550 to 135.1575 shall automatically sunset eight
7 years after the effective date of this act, unless reauthorized
8 by an act of the general assembly;

9 (2) If such program is reauthorized, the program authorized
10 under this section shall automatically sunset eight years after
11 the effective date of the reauthorization of this section; and

12 (3) This section shall terminate on September first of the
13 calendar year immediately following the calendar year in which
14 the programs authorized under sections 135.1550 to 135.1575
15 sunset.

16 144.810. 1. As used in this section, unless the context
17 clearly indicates otherwise, the following terms mean:

18 (1) "Commencement of commercial operations", shall be
19 deemed to occur during the first calendar year for which the data
20 storage center is first available for use by the operating
21 taxpayer, or first capable of being used by the operating
22 taxpayer, as a data storage center;

23 (2) "Constructing taxpayer", if more than one taxpayer is
24 responsible for a project, a taxpayer responsible for the
25 construction of the facility, as opposed to a taxpayer
26 responsible for the equipping and ongoing operations of the
27 facility;

28 (3) "County average wage", the average wage in each county

1 as determined by the department for the most recently completed
2 full calendar year. However, if the computed county average wage
3 is above the statewide average wage, the statewide average wage
4 shall be deemed the county average wage for such county for the
5 purpose of determining eligibility;

6 (4) "Data storage center" or "facility", a facility
7 constructed, extended, improved, or operating under this section,
8 provided that such business facility is engaged primarily in:

9 (a) Data processing, hosting, and related services (NAICS
10 518210);

11 (b) Internet publishing and broadcasting and web search
12 portals (NAICS 519130), at the business facility; or

13 (c) Customer service, customer contact, or customer support
14 operations through the use of computer databases and
15 telecommunications services at the business facility;

16 (5) "Existing facility", a data storage center in this
17 state as it existed prior to August 28, 2013, as determined by
18 the department;

19 (6) "Expanding facility" or "expanding data storage
20 center", an existing facility or replacement facility that
21 expands its operations in this state on or after August 28, 2013,
22 and has a net new investment related to the expansion of
23 operations in this state of at least two million dollars during a
24 period of up to twelve consecutive months and results in the
25 creation of at least two new jobs during a period of up to
26 twenty-four consecutive months from the date of conditional
27 approval for an exemption under this section, if the average wage
28 of the new jobs equals or exceeds one hundred and fifty percent

1 of the county average wage. An expanding facility shall continue
2 to be an expanding facility regardless of a subsequent change in
3 or addition of operating taxpayers or constructing taxpayers;

4 (7) "Expanding facility project" or "expanding data storage
5 center project", the construction, extension, improvement,
6 equipping, and operation of an expanding facility;

7 (8) "Investment" shall include the value of real and
8 depreciable personal property, acquired as part of the new or
9 expanding facility project which is used in the operation of the
10 facility following conditional approval of an exemption under
11 this section;

12 (9) "NAICS", the 2007 edition of the North American
13 Industry Classification System as prepared by the Executive
14 Office of the President, Office of Management and Budget. Any
15 NAICS sector, subsector, industry group, or industry identified
16 in this section shall include its corresponding classification in
17 previous and subsequent federal industry classification systems;

18 (10) "New facility" or "new data storage center", a
19 facility in this state meeting the following requirements:

20 (a) The facility is acquired by, or leased to, an operating
21 taxpayer on or after August 28, 2013. A facility shall be deemed
22 to have been acquired by, or leased to, an operating taxpayer on
23 or after August 28, 2013, if the transfer of title to an
24 operating taxpayer, the transfer of possession under a binding
25 contract to transfer title to an operating taxpayer, or the
26 commencement of the term of the lease to an operating taxpayer
27 occurs on or after August 28, 2013, or, if the facility is
28 constructed, erected, or installed by or on behalf of an

1 operating taxpayer, such construction, erection, or installation
2 is commenced on or after August 28, 2013;

3 (b) If such facility was acquired by an operating or
4 constructing taxpayer from another person or persons on or after
5 August 28, 2013, and such facility was employed prior to August
6 28, 2013, by any other person or persons in the operation of a
7 data storage center the facility shall not be considered a new
8 facility;

9 (c) Such facility is not an expanding or replacement
10 facility, as defined in this section;

11 (d) The new facility project investment is at least five
12 million dollars during a period of up to thirty-six consecutive
13 months from the date of the conditional approval for an exemption
14 under this section. If more than one taxpayer is responsible for
15 a project, the investment requirement may be met by an operating
16 taxpayer, a constructing taxpayer, or a combination of
17 constructing taxpayers and operating taxpayers;

18 (e) At least five new jobs are created at the new facility
19 during a period of up to thirty-six consecutive months from the
20 date of conditional approval for an exemption under this section
21 if the average wage of the new jobs equals or exceeds one hundred
22 fifty percent of the county average wage; and

23 (f) A new facility shall continue to be a new facility
24 regardless of a subsequent change in or addition of operating
25 taxpayers or constructing taxpayers;

26 (11) "New data storage center project" or "new facility
27 project", the construction, extension, improvement, equipping,
28 and operation of a new facility;

1 (12) "New job" in the case of a new data center project,
2 the total number of full-time employees located at a new data
3 storage center for a period of up to thirty-six consecutive
4 months from the date of conditional approval for an exemption
5 under this section. In the case of an expanding data storage
6 center project, the total number of full-time employees located
7 at the expanding data storage center that exceeds the greater of
8 the number of full-time employees located at the project facility
9 on the date of the submission of a project plan under this
10 section or for the twelve-month period prior to the date of the
11 submission of a project plan, the average number of full-time
12 employees located at the expanding data storage center facility.
13 In the event the expanding data storage center facility has not
14 been in operation for a full twelve-month period at the time of
15 the submission of a project plan, the average number of full-time
16 employees for the number of months the expanding data storage
17 center facility has been in operation prior to the date of the
18 submission of the project plan;

19 (13) "Notice of intent", a form developed by the department
20 of economic development, completed by the project taxpayer, and
21 submitted to the department, which states the project taxpayer's
22 intent to construct or expand a data center and requests the
23 exemptions under this program;

24 (14) "Operating taxpayer", if more than one taxpayer is
25 responsible for a project, a taxpayer responsible for the
26 equipping and ongoing operations of the facility, as opposed to a
27 taxpayer responsible for the purchasing or construction of the
28 facility;

1 (15) "Project taxpayers", each constructing taxpayer and
2 each operating taxpayer for a data storage center project;

3 (16) "Replacement facility", a facility in this state
4 otherwise described in subdivision (7) of this subsection, but
5 which replaces another facility located within the state, which
6 the taxpayer or a related taxpayer previously operated but
7 discontinued operating within one year prior to the commencement
8 of commercial operations at the new facility;

9 (17) "Taxpayer", the purchaser of tangible personal
10 property or a service that is subject to state or local sales or
11 use tax and from whom state or local sales or use tax is owed.
12 Taxpayer shall not mean the seller charged by law with collecting
13 the sales tax from the purchaser.

14 2. In addition to the exemptions granted under chapter 144,
15 project taxpayers for a new data storage center project shall be
16 entitled, for a project period not to exceed fifteen years from
17 the date of conditional approval under this section and subject
18 to the requirements of subsection 3 of this section, to an
19 exemption of one hundred percent of the state and local sales and
20 use taxes defined, levied, or calculated under section 32.085,
21 sections 144.010 to 144.525, sections 144.600 to 144.761, or
22 section 238.235, limited to the net fiscal benefit of the state
23 calculated over a ten year period, on:

24 (1) All electrical energy, gas, water, and other utilities
25 including telecommunication and internet services used in a new
26 data storage center;

27 (2) All machinery, equipment, and computers used in any new
28 data storage center; and

1 (3) All sales at retail of tangible personal property and
2 materials for the purpose of constructing any new data storage
3 center.

4
5 The amount of any exemption provided under this subsection shall
6 not exceed the projected net fiscal benefit to the state over a
7 period of ten years, as determined by the department of economic
8 development using the Regional Economic Modeling, Inc. dataset or
9 comparable data.

10 3. (1) Any data storage center project seeking a tax
11 exemption under subsection 2 of this section shall submit a
12 notice of intent and a project plan to the department of economic
13 development, which shall identify each known constructing
14 taxpayer and known operating taxpayer for the project and include
15 any additional information the department of economic development
16 may require to determine eligibility for the exemption. The
17 department of economic development shall review the project plan
18 and determine whether the project is eligible for the exemption
19 under subsection 2 of this section, conditional upon subsequent
20 verification by the department that the project meets the
21 requirements in subsection 1 of this section for a new facility
22 project. The department shall make such conditional
23 determination within thirty days of submission by the operating
24 taxpayer. Failure of the department to respond within thirty
25 days shall result in a project plan being deemed conditionally
26 approved.

27 (2) The department of economic development shall convey
28 conditional approvals to the department of revenue and the

1 identified project taxpayers. After a conditionally approved new
2 facility has met the requirements in subsection 1 of this section
3 for a new facility and the execution of the agreement specified
4 in subsection 6 of this section, the project taxpayers shall
5 provide proof of the same to the department of economic
6 development. Upon verification of such proof, the department of
7 economic development shall certify the new facility to the
8 department of revenue as being eligible for the exemption dating
9 retroactively to the first day of construction on the new
10 facility. The department of revenue, upon receipt of adequate
11 proof of the amount of sales taxes paid since the first day of
12 construction, shall issue a refund of taxes paid but eligible for
13 exemption under subsection 2 of this section to each operating
14 taxpayer and each constructing taxpayer and issue a certificate
15 of exemption to each new project taxpayer for ongoing exemptions
16 under subsection 2 of this section. The department of revenue
17 shall issue such a refund within thirty days of receipt of
18 certification from the department of economic development.

19 (3) Any project that does not meet the minimum investment
20 or new job requirements of subsection 1 of this section may still
21 be eligible for the exemption under subsection 2 of this section,
22 as long as the exemptions for such project plan do not exceed the
23 projected net fiscal benefit to the state over a period of ten
24 years.

25 (4) The commencement of the exemption period may be delayed
26 at the option of the operating taxpayer, but not more than
27 twenty-four months after the execution of the agreement required
28 under subsection 6 of this section.

1 4. In addition to the exemptions granted under chapter 144,
2 upon approval by the department of economic development, project
3 taxpayers for expanding data center projects may, for a period
4 not to exceed ten years, be specifically exempted from state and
5 local sales and use taxes defined, levied, or calculated under
6 section 32.085, sections 144.010 to 144.525, sections 144.600 to
7 144.761, or section 238.235 on:

8 (1) All electrical energy, gas, water, and other utilities
9 including telecommunication and internet services used in an
10 expanding data storage center which, on an annual basis, exceeds
11 the amount of electrical energy, gas, water, and other utilities
12 including telecommunication and internet services used in the
13 existing facility or the replaced facility prior to the
14 expansion. For purposes of this subdivision only, "amount" shall
15 be measured in kilowatt hours, gallons, cubic feet, or other
16 measures applicable to a utility service as opposed to in
17 dollars, to account for increases in utility rates;

18 (2) All machinery, equipment, and computers used in any
19 expanding data storage center; and

20 (3) All sales at retail of tangible personal property and
21 materials for the purpose of constructing, repairing, or
22 remodeling any expanding data storage center.

23
24 The amount of any exemption provided under this subsection shall
25 not exceed the projected net fiscal benefit to the state over a
26 period of ten years, as determined by the department of economic
27 development.

28 5. (1) Any data storage center project seeking a tax

1 exemption under subsection 4 of this section shall submit a
2 notice of intent and a project plan to the department of economic
3 development, which shall identify each known constructing
4 taxpayer and each known operating taxpayer for the project and
5 include any additional information the department of economic
6 development may reasonably require to determine eligibility for
7 the exemption. The department of economic development shall
8 review the project plan and determine whether the project is
9 eligible for the exemption under subsection 4 of this section,
10 conditional upon subsequent verification by the department that
11 the project meets the requirements in subsection 1 of this
12 section for an expanding facility project and the execution of
13 the agreement specified in subsection 6 of this section. The
14 department shall make such conditional determination within
15 thirty days of submission by the operating taxpayer. Failure of
16 the department to respond within thirty days shall result in a
17 project plan being deemed conditionally approved.

18 (2) The department of economic development shall convey
19 such conditional approval to the department of revenue and the
20 identified project taxpayers. After a conditional approved
21 facility has met the requirements in subsection 1 of this
22 section, the project taxpayers shall provide proof of the same to
23 the department of economic development. Upon verification of
24 such proof, the department of economic development shall certify
25 the project to the department of revenue as being eligible for
26 the exemption dating retroactively to the first day of the
27 expansion of the facility. The department of revenue, upon
28 receipt of adequate proof of the amount of sales taxes paid since

1 the first day of the expansion of the facility, shall issue a
2 refund of taxes paid but eligible for exemption under subsection
3 4 of this section to any applicable project taxpayer and issue a
4 certificate of exemption to any applicable project taxpayer for
5 ongoing exemptions under subsection 4 of this section. The
6 department of revenue shall issue such a refund within thirty
7 days of receipt of certification from the department of economic
8 development.

9 (3) Any project that does not meet the minimum investment
10 or new job requirements of subsection 1 of this section may still
11 be eligible for the exemption under subsection 4 of this section,
12 as long as the exemptions for such project plan do not exceed the
13 projected net fiscal benefit to the state over a period of ten
14 years.

15 (4) The commencement of the exemption period may be delayed
16 at the option of the operating taxpayer, but not more than
17 twenty-four months after the execution of the agreement required
18 under subsection 6 of this section.

19 6. (1) The exemptions in subsections 2 and 4 of this
20 section shall be tied to the new or expanding facility project.
21 A certificate of exemption in the hands of a taxpayer that is no
22 longer an operating or constructing taxpayer of the new or
23 expanding facility project shall be invalid as of the date the
24 taxpayer was no longer an operating or constructing taxpayer of
25 the new or expanding facility project. New certificates of
26 exemption shall be issued to successor constructing taxpayers and
27 operating taxpayers at such new or expanding facility projects.
28 The right to the exemption by successor taxpayers shall exist

1 without regard to subsequent levels of investment in the new or
2 expanding facility by successor taxpayers.

3 (2) As a condition of receiving an exemption under
4 subsection 2 or 4 of this section, the project taxpayers shall
5 enter into an agreement with the department of economic
6 development providing for repayment penalties in the event the
7 data storage center project fails to comply with any of the
8 requirements of this section.

9 (3) The department of revenue shall credit any amounts
10 remitted by the project taxpayers under this subsection to the
11 fund to which the sales and use taxes exempted would have
12 otherwise been credited.

13 7. The department of economic development and the
14 department of revenue shall cooperate in conducting random audits
15 to ensure that the intent of this section is followed.

16 8. Notwithstanding any other provision of law to the
17 contrary, no recipient of an exemption pursuant to this section
18 shall be eligible for benefits under any business recruitment tax
19 credit, as defined in section 135.800.

20 9. The department of economic development and the
21 department of revenue shall jointly prescribe such rules and
22 regulations necessary to carry out the provisions of this
23 section. Any rule or portion of a rule, as that term is defined
24 in section 536.010, that is created under the authority delegated
25 in this section shall become effective only if it complies with
26 and is subject to all of the provisions of chapter 536 and, if
27 applicable, section 536.028. This section and chapter 536 are
28 nonseverable and if any of the powers vested with the general

assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2013, shall be invalid and void.

10. This section shall terminate on September 1, 2019. The termination of this section shall not be construed to limit or in any way impair the exemption for any project approved prior to the termination of this section.

253.545. As used in sections 253.545 to 253.559, the following terms mean, unless the context requires otherwise:

(1) "Certified historic structure", a property located in Missouri and listed individually on the National Register of Historic Places;

(2) "Deed in lieu of foreclosure or voluntary conveyance", a transfer of title from a borrower to the lender to satisfy the mortgage debt and avoid foreclosure;

(3) "Eligible property", property located in Missouri and offered or used for residential or business purposes;

(4) "Leasehold interest", a lease in an eligible property for a term of not less than thirty years;

(5) "Principal", a managing partner, general partner, or president of a taxpayer;

(6) "Structure in a certified historic district", a structure located in Missouri which is certified by the department of natural resources as contributing to the historic significance of a certified historic district listed on the National Register of Historic Places, or a local district that

1 has been certified by the United States Department of the
2 Interior;

3 (7) "Taxpayer", any person, firm, partnership, trust,
4 estate, limited liability company, or corporation;

5 (8) "Total costs and expenses of rehabilitation", all costs
6 and expenses related to the rehabilitation of eligible property
7 that is a certified historic structure or a structure in a
8 certified historic district including, but not limited to,
9 qualified rehabilitation expenditures as defined in Section
10 47(c) (2) (A) of the Internal Revenue Code of 1986, as amended, and
11 any related regulations promulgated under such section. Such
12 costs and expenses shall include, but not be limited to,
13 rehabilitation work in progress, accrued developer fees, and
14 costs and expenses related to rehabilitation incurred at the
15 taxpayers own risk up to one year before the date of submission
16 of a preliminary application under section 253.559. Provided
17 however, that accrued developer fees shall only be considered
18 "total costs and expenses of rehabilitation" if an agreement or
19 other contractual document provides for the payment of such fees
20 within no more than six years of completion of the
21 rehabilitation.

22 253.550. 1. Any taxpayer incurring costs and expenses for
23 the rehabilitation of eligible property, which is a certified
24 historic structure or structure in a certified historic district,
25 [may] shall, subject to the provisions of this section and
26 section 253.559, receive a credit against the taxes imposed
27 pursuant to chapters 143 and 148, except for sections 143.191 to
28 143.265, on such taxpayer in an amount equal to twenty-five

1 percent of the total costs and expenses of rehabilitation
2 incurred after January 1, 1998, which shall include, but not be
3 limited to, qualified rehabilitation expenditures as defined
4 under section 47(c)(2)(A) of the Internal Revenue Code of 1986,
5 as amended, and the related regulations thereunder, provided the
6 rehabilitation costs associated with rehabilitation and the
7 expenses exceed fifty percent of the total basis in the property
8 and the rehabilitation meets standards consistent with the
9 standards of the Secretary of the United States Department of the
10 Interior for rehabilitation as determined by the state historic
11 preservation officer of the Missouri department of natural
12 resources. The department of economic development shall
13 determine the total costs and expenses of rehabilitation pursuant
14 to subsection 7 of section 253.559, but in no case shall such
15 total costs and expenses of rehabilitation be defined more
16 narrowly than qualified rehabilitation expenditures as defined in
17 Section 47 (c) (2) (A) of the Internal Revenue Code of 1986, as
18 amended, and any related regulations promulgated under such
19 section, as required by section 253.545.

20 2. During the period beginning on January 1, 2010, but
21 ending on or after June 30, 2010, the department of economic
22 development shall not approve applications for tax credits under
23 the provisions of subsections 3 and 8 of section 253.559 which,
24 in the aggregate, exceed seventy million dollars, increased by
25 any amount of tax credits for which approval shall be rescinded
26 under the provisions of section 253.559. For each fiscal year
27 beginning on or after July 1, 2010, but ending on or before June
28 30, 2014, the department of economic development shall not

1 approve applications for tax credits under the provisions of
2 subsections 3 and 8 of section 253.559 which, in the aggregate,
3 exceed one hundred forty million dollars, increased by any amount
4 of tax credits for which approval shall be rescinded under the
5 provisions of section 253.559. The limitations provided under
6 this subsection shall not apply to applications approved under
7 the provisions of subsection 3 of section 253.559 for projects to
8 receive less than two hundred seventy-five thousand dollars in
9 tax credits.

10 3. For all applications for tax credits approved on or
11 after January 1, 2010, but before July 1, 2014, no more than two
12 hundred fifty thousand dollars in tax credits may be issued for
13 eligible costs and expenses incurred in the rehabilitation of an
14 eligible property which is a nonincome producing single-family,
15 owner-occupied residential property and is either a certified
16 historic structure or a structure in a certified historic
17 district.

18 4. The limitations on tax credit authorization provided
19 under the provisions of subsections 2 and 3 of this section shall
20 not apply to:

21 (1) Any application submitted by a taxpayer, which has
22 received approval from the department prior to January 1, 2010;
23 or

24 (2) Any taxpayer applying for tax credits, provided under
25 this section, which, on or before January 1, 2010, has filed an
26 application with the department evidencing that such taxpayer:

27 (a) Has incurred costs and expenses for an eligible
28 property which exceed the lesser of five percent of the total

1 project costs or one million dollars and received an approved
2 Part I from the Secretary of the United States Department of
3 Interior; or

4 (b) Has received certification, by the state historic
5 preservation officer, that the rehabilitation plan meets the
6 standards consistent with the standards of the Secretary of the
7 United States Department of the Interior, and the rehabilitation
8 costs and expenses associated with such rehabilitation shall
9 exceed fifty percent of the total basis in the property.

10 5. For each fiscal year beginning on or after July 1, 2014,
11 the department of economic development shall not approve
12 applications for tax credits under the provisions of subsections
13 3 and 8 of section 253.559 which, in the aggregate, exceed ninety
14 million dollars, increased by any amount of tax credits for which
15 approval shall be rescinded under the provisions of section
16 253.559. The limitations provided under this subsection shall
17 not apply to applications approved under the provisions of
18 subsection 3 of section 253.559 for projects to receive less than
19 two hundred seventy-five thousand dollars in tax credits.

20 6. For all applications for tax credits approved on or
21 after July 1, 2014, no more than one hundred twenty-five thousand
22 dollars in tax credits may be issued for eligible costs and
23 expenses incurred in the rehabilitation of an eligible property
24 which is a nonincome producing single-family, owner-occupied
25 residential property and is either a certified historic structure
26 or a structure in a certified historic district.

27 7. In lieu of the limitations on tax credit authorization
28 provided under the provisions of subsections 5 and 6 of this

1 section, the limitations on tax credit authorization provided
2 under the provisions of subsections 2 and 3 of this section shall
3 apply to:

4 (1) Any application submitted by a taxpayer, which has
5 received approval from the department prior to July 1, 2014; or

6 (2) Any application for tax credits provided under this
7 section for a project, which on or before July 1, 2014:

8 (a) Received an approved Part I from the Secretary of the
9 United States Department of Interior and has incurred costs and
10 expenses for an eligible property which exceed the lesser of
11 fifteen percent of the total project costs or three million
12 dollars; or

13 (b) Has received certification, by the state historic
14 preservation officer, that the rehabilitation plan meets the
15 standards consistent with the standards of the Secretary of the
16 United States Department of the Interior, and the rehabilitation
17 costs and expenses associated with such rehabilitation would,
18 upon completion, be expected to exceed fifty percent of the total
19 basis in the property.

20 8. For each fiscal year beginning on or after July 1, 2014,
21 the department of economic development shall not approve
22 applications for projects to receive less than two hundred
23 seventy-five thousand dollars in tax credits which, in the
24 aggregate, exceed ten million dollars, increased by any amount of
25 tax credits for which approval shall be rescinded under the
26 provisions of section 253.559. The limitations on tax credit
27 authorization provided under the provisions of this subsection
28 shall not apply to:

1 (1) Any application submitted by a taxpayer, which has
2 received approval from the department prior to the July 1, 2014;
3 or

4 (2) Any application for tax credits provided under this
5 section for a project, which on or before July 1, 2014:

6 (a) Received an approved Part I from the Secretary of the
7 United States Department of Interior and has incurred costs and
8 expenses for an eligible property which exceed five percent of
9 the total project costs; or

10 (b) Has received certification, by the state historic
11 preservation officer, that the rehabilitation plan meets the
12 standards consistent with the standards of the Secretary of the
13 United States Department of the Interior, and the rehabilitation
14 costs and expenses associated with such rehabilitation would,
15 upon completion, be expected to exceed fifty percent of the total
16 basis in the property.

17 253.557. 1. If the amount of such credit exceeds the total
18 tax liability for the year in which the rehabilitated property is
19 placed in service, the amount that exceeds the state tax
20 liability may be carried back to any of the three preceding years
21 and carried forward for credit against the taxes imposed pursuant
22 to chapter 143 and chapter 148, except for sections 143.191 to
23 143.265 for the succeeding ten years, or until the full credit is
24 used, whichever occurs first. Not-for-profit entities, including
25 but not limited to corporations organized as not-for-profit
26 corporations pursuant to chapter 355 shall be ineligible for the
27 tax credits authorized under sections 253.545 [through 253.561]
28 to 253.559. Any taxpayer that receives state tax credits under

1 the provisions of sections 135.350 to 135.363 for a project that
2 is not financed through tax exempt bonds issuance shall be
3 ineligible for the state tax credits authorized under sections
4 253.545 to 253.559 for the same project. Taxpayers eligible for

5 such tax credits may transfer, sell or assign the credits.

6 Credits granted to a partnership, a limited liability company
7 taxed as a partnership or multiple owners of property shall be
8 passed through to the partners, members or owners respectively
9 pro rata or pursuant to an executed agreement among the partners,
10 members or owners documenting an alternate distribution method.

11 2. The assignee of the tax credits, hereinafter the
12 assignee for purposes of this subsection, may use acquired
13 credits to offset up to one hundred percent of the tax
14 liabilities otherwise imposed pursuant to chapter 143 and chapter
15 148, except for sections 143.191 to 143.265. The assignor shall
16 perfect such transfer by notifying the department of economic
17 development in writing within thirty calendar days following the
18 effective date of the transfer and shall provide any information
19 as may be required by the department of economic development to
20 administer and carry out the provisions of this section.

21 253.559. 1. To obtain approval for tax credits allowed
22 under sections 253.545 to 253.559, a taxpayer shall submit an
23 application for tax credits to the department of economic
24 development. Each application for approval, including any
25 applications received for supplemental allocations of tax credits
26 as provided under subsection 8 of this section, shall be
27 prioritized for review and approval, in the order of the date on
28 which the application was postmarked, with the oldest postmarked

1 date receiving priority. Applications postmarked on the same day
2 shall go through a lottery process to determine the order in
3 which such applications shall be reviewed.

4 2. Each application shall be reviewed by the department of
5 economic development for approval. In order to receive approval,
6 an application, other than applications submitted under the
7 provisions of subsection 8 of this section, shall include:

8 (1) Proof of ownership or site control. Proof of ownership
9 shall include evidence that the taxpayer is the fee simple owner
10 of the eligible property, such as a warranty deed or a closing
11 statement. Proof of site control may be evidenced by a leasehold
12 interest or an option to acquire such an interest. If the
13 taxpayer is in the process of acquiring fee simple ownership,
14 proof of site control shall include an executed sales contract or
15 an executed option to purchase the eligible property;

16 (2) Floor plans of the existing structure, architectural
17 plans, and, where applicable, plans of the proposed alterations
18 to the structure, as well as proposed additions;

19 (3) The estimated cost of rehabilitation, the anticipated
20 total costs of the project, the actual basis of the property, as
21 shown by proof of actual acquisition costs, the anticipated total
22 labor costs, the estimated project start date, and the estimated
23 project completion date;

24 (4) Proof that the property is an eligible property and a
25 certified historic structure or a structure in a certified
26 historic district, or evidence that the taxpayer has submitted
27 the necessary documentation to qualify the property as an
28 eligible property and a certified historic structure or as a

1 structure in a certified historic district. A final
2 determination of such qualifications shall not be a prerequisite
3 for approval of the application or the incurrence of eligible
4 costs; and

5 (5) Any other information which the department of economic
6 development may reasonably require to review the project for
7 approval. Only the property for which a property address is
8 provided in the application shall be reviewed for approval. Once
9 selected for review, a taxpayer shall not be permitted to request
10 the review of another property for approval in the place of the
11 property contained in such application. Any disapproved
12 application shall be removed from the review process. If an
13 application is removed from the review process, the department of
14 economic development shall notify the taxpayer in writing of the
15 decision to remove such application. Disapproved applications
16 shall lose priority in the review process. A disapproved
17 application, which is removed from the review process, may be
18 resubmitted, but shall be deemed to be a new submission for
19 purposes of the priority procedures described in this section.

20 3. If the department of economic development deems the
21 application sufficient, the taxpayer shall be notified in writing
22 of the approval for an amount of tax credits equal to the amount
23 provided under section 253.550 less any amount of tax credits
24 previously approved. Such approvals shall be granted to
25 applications in the order of priority established under this
26 section and shall require full compliance thereafter with all
27 other requirements of law as a condition to any claim for such
28 credits. Notwithstanding any provision of law to the contrary, a

1 determination of the department of economic development, in
2 consultation with the department of natural resources, whether
3 the completed rehabilitation meets the standards of the Secretary
4 of the United States Department of the Interior for
5 rehabilitation as determined by the state historic preservation
6 officer of the department of natural resources under subsection 7
7 of this section, shall not be required for the department of
8 economic development to approve an application under this
9 subsection.

10 4. Following approval of an application, the identity of
11 the taxpayer contained in such application shall not be modified
12 except:

13 (1) The taxpayer may add partners, members, or shareholders
14 as part of the ownership structure, so long as the principal
15 remains the same, provided however, that subsequent to the
16 commencement of renovation and the expenditure of at least ten
17 percent of the proposed rehabilitation budget, removal of the
18 principal for failure to perform duties and the appointment of a
19 new principal thereafter shall not constitute a change of the
20 principal; or

21 (2) Where the ownership of the project is changed due to a
22 foreclosure, deed in lieu of a foreclosure or voluntary
23 conveyance, or a transfer in bankruptcy. Upon any such change in
24 ownership, the taxpayer contained in such application, or any
25 successor owner of the project, shall notify the department of
26 such change.

27 5. In the event that the department of economic development
28 grants approval for tax credits equal to the applicable total

1 amount available under subsection 2 or 5 of section 253.550, or
2 sufficient that when totaled with all other approvals, the
3 applicable amount available under subsection 2 or 5 of section
4 253.550 is exhausted, all taxpayers with applications then
5 awaiting approval or thereafter submitted for approval shall be
6 notified by the department of economic development that no
7 additional approvals shall be granted during the fiscal year and
8 shall be notified of the priority given to such taxpayer's
9 application then awaiting approval. Such applications shall be
10 kept on file by the department of economic development and shall
11 be considered for approval for tax credits in the order
12 established in this section in the event that additional credits
13 become available due to the rescission of approvals or when a new
14 fiscal year's allocation of credits becomes available for
15 approval.

16 6. All taxpayers with applications receiving approval on or
17 after the effective date of this act shall commence
18 rehabilitation within two years of the date of issuance of the
19 letter from the department of economic development granting the
20 approval for tax credits. "Commencement of rehabilitation" shall
21 mean that as of the date in which actual physical work,
22 contemplated by the architectural plans submitted with the
23 application, has begun, the taxpayer has incurred no less than
24 ten percent of the estimated costs of rehabilitation provided in
25 the application. Taxpayers with approval of a project shall
26 submit evidence of compliance with the provisions of this
27 subsection. If the department of economic development determines
28 that a taxpayer has failed to comply with the requirements

1 provided under this section, the approval for the amount of tax
2 credits for such taxpayer shall be rescinded and such amount of
3 tax credits shall then be included in the applicable total amount
4 of tax credits, provided under subsection 2 or 5 of section
5 253.550, from which approvals may be granted. Any taxpayer whose
6 approval shall be subject to rescission shall be notified of such
7 from the department of economic development and, upon receipt of
8 such notice, may submit a new application for the project.

9 7. To claim the credit authorized under sections 253.550 to
10 253.559, a taxpayer with approval shall apply for final approval
11 and issuance of tax credits from the department of economic
12 development [which,] . Such application for final approval and
13 issuance of tax credits shall include a cost and expense
14 certification, prepared by a licensed certified public accountant
15 that is not an affiliate of the applicant, certifying the total
16 costs and expenses of rehabilitation and the total amount of tax
17 credits for which such taxpayer is eligible under sections
18 253.550 to 253.559. Cost and expense certifications required
19 under this section shall separately state any accrued developer
20 fees. No later than forty-five calendar days following receipt
21 of a taxpayer's application for final approval and issuance of
22 tax credits, the department of economic development shall
23 determine, in consultation with the department of natural
24 resources, [shall determine the final amount of eligible
25 rehabilitation costs and expenses and] whether the completed
26 rehabilitation meets the standards of the Secretary of the United
27 States Department of the Interior for rehabilitation [as
28 determined by the state historic preservation officer of the

Missouri department of natural resources]. If the completed rehabilitation meets such standards, the department of economic development shall, within forty-five calendar days following the receipt of the taxpayer's application for final approval and tax credit issuance, inform such taxpayer of its initial determination by letter and issue such taxpayer an initial tax credit issuance. A taxpayer receiving an initial tax credit issuance shall receive tax credit certificates in an amount equal to the lesser of seventy-five percent of the total amount of tax credits for which the taxpayer is eligible under sections 253.550 to 253.559, as certified in the cost and expense certification, or the amount of tax credits approved for such project under subsection 3 of this section. Within one hundred and twenty calendar days following receipt of a taxpayer's application for final approval and tax credit issuance, the department shall determine the final amount of eligible rehabilitation costs and expenses. For a taxpayer receiving an initial tax credit issuance, no later than one hundred and twenty calendar days following receipt of such taxpayer's application for final aproval and tax credit issuance, the department shall notify such taxpayer of its final determination by letter and issue such taxpayer tax credit certificates in an amount equal to the lesser of the remaining amount of tax credits for which such taxpayer is eligible to receive under sections 253.550 to 253.559, as determined by the department, or the remaining amount of tax credits for which such taxpayer was approved under subsection 3 of this section, but not issued under the initial tax credit issuance. If the department of economic development determines

1 that the amount of tax credits issued to a taxpayer in the
2 initial tax credit issuance is in excess of the total amount of
3 tax credits such taxpayer is eligible to receive under sections
4 253.550 to 253.559, the department shall notify such taxpayer and
5 such taxpayer shall repay the state an amount equal to such
6 excess. For financial institutions credits authorized pursuant
7 to sections 253.550 to ~~[253.561]~~ 253.559 shall be deemed to be
8 economic development credits for purposes of section 148.064. The
9 approval of all applications and the issuing of certificates of
10 eligible credits to taxpayers shall be performed by the
11 department of economic development. [The department of economic
12 development shall inform a taxpayer of final approval by letter
13 and shall issue, to the taxpayer, tax credit certificates.] The
14 taxpayer shall attach the certificate to all Missouri income tax
15 returns on which the credit is claimed. Taxpayers which receive
16 tax credit certificates under sections 253.550 to 253.559,
17 attributable to accrued developer fees shall, within six years of
18 completion of rehabilitation, submit an additional cost and
19 expense certification verifying the total amount of developer
20 fees actually accrued and paid. To the extent the amount of
21 developer fees contained in a taxpayer's cost and expense
22 certification included with such taxpayers application for final
23 approval and tax credit issuance exceeds the amount of developer
24 fees actually accrued and paid, as evidenced by the additional
25 cost and expense certification, such taxpayer shall repay to the
26 state an amount equal to twenty-five percent of such excess.

27 8. Except as expressly provided in this subsection, tax
28 credit certificates shall be issued in the final year that costs

1 and expenses of rehabilitation of the project are incurred, or
2 within the twelve-month period immediately following the
3 conclusion of such rehabilitation. In the event the amount of
4 eligible rehabilitation costs and expenses incurred by a taxpayer
5 would result in the issuance of an amount of tax credits in
6 excess of the amount provided under such taxpayer's approval
7 granted under subsection 3 of this section, such taxpayer may
8 apply to the department for issuance of tax credits in an amount
9 equal to such excess. Applications for issuance of tax credits
10 in excess of the amount provided under a taxpayer's application
11 shall be made on a form prescribed by the department and shall be
12 substantially in the form of the department of economic
13 development form titled "Historic Preservation Tax Credit Program
14 - Request for Additional Credits" in effect by the effective date
15 of this act. Such applications shall be subject to all
16 provisions regarding priority provided under subsection 1 of this
17 section.

18 9. The department of economic development shall determine,
19 on an annual basis, the overall economic impact to the state from
20 the rehabilitation of eligible property.

21 10. (1) Taxpayers or duly authorized representatives may
22 appeal any official decision, including all preliminary or final
23 approvals and denials of approvals, made by the department or the
24 department of natural resources with regard to an application
25 submitted under sections 253.550 to 253.559 to an independent
26 third-party appeals officer designated by the department within
27 fourteen days of receipt of the appeal by the department. Such
28 appeals under this section shall constitute an administrative

1 review of the decision appealed from and shall not be conducted
2 as an adjudicative proceeding.

3 (2) Appeals shall be submitted to the designated appeals
4 officer in writing within thirty days of receipt by the taxpayer
5 or the taxpayer's duly authorized representative of the decision
6 that is the subject of the appeal, and shall include all
7 information the appellant wishes the appeals officer to consider
8 in deciding the appeal.

9 (3) Within fourteen days of receipt of an appeal, the
10 appeals officer shall notify the department or the department of
11 natural resources that an appeal is pending, identify the
12 decision being appealed, and forward a copy of the information
13 submitted by the appellant. The department or the department of
14 natural resources may submit a written response to the appeal
15 within thirty days.

16 (4) The appellant shall be entitled to one meeting with the
17 appeals officer to discuss the appeal, but the appeals officer
18 may schedule additional meetings at the officer's discretion.
19 The department or the department of natural resources may appear
20 at all meetings.

21 (5) The appeals officer shall consider the record of the
22 decision in question, any further written submissions by the
23 appellant and the department or the department of natural
24 resources, and other available information, and shall deliver a
25 written decision to all parties as promptly as circumstances
26 permit, but not later than ninety days after the initial receipt
27 of an appeal by the appeals officer.

28 11. By no later than January 1, 2014, the department shall

1 propose rules to implement the provisions of sections 253.550 to
2 253.559. Prior to proposing such rules, the department shall
3 conduct a stakeholder process designed to solicit input from
4 interested parties. Any rule or portion of a rule, as that term
5 is defined in section 536.010, that is created under the
6 authority delegated herein shall become effective only if it
7 complies with and is subject to all of the provisions of chapter
8 536 and, if applicable, section 536.028. This section and
9 chapter 536 are nonseverable and if any of the powers vested with
10 the general assembly pursuant to chapter 536 to review, to delay
11 the effective date, or to disapprove and annul a rule are
12 subsequently held unconstitutional, then the grant of rulemaking
13 authority and any rule proposed or adopted after August 28, 2013,
14 shall be invalid and void.

15 348.273. 1. This section and section 348.274 shall be
16 known and may be cited as the "Missouri Angel Investment
17 Incentive Act".

18 2. As used in this section and section 348.274, the
19 following terms mean:

20 (1) "Cash investment", money or money equivalent
21 contribution;

22 (2) "Department", the department of economic development;

23 (3) "Investor":

24 (a) A natural person who is an accredited investor as
25 defined in 17 CFR 230.501(a)(5) or 17 CFR 230.501(a)(6), as in
26 effect on August 28, 2013;

27 (b) A permitted entity investor who is an accredited
28 investor as defined in 17 CFR 230.501(a)(8), as in effect on

1 August 28, 2013; or

2 (c) A natural person or permitted entity investor making an
3 investment that is permitted under the Jumpstart Our Business
4 Startups Act, Pub. L. No. 112-106, Sections 301-305, 126 Stat.
5 315-323, as in effect on August 28, 2013.

6 A person who serves as an executive, officer, or employee of the
7 business in which an otherwise qualified cash investment is made
8 is not an investor and such person shall not qualify for the
9 issuance of tax credits for such investment;

10 (4) "Owner", any natural person who is, directly or
11 indirectly, a partner, stockholder, or member in a permitted
12 entity investor;

13 (5) "Permitted entity investor", any charitable
14 organization which is exempt from federal income tax and whose
15 Missouri unrelated business taxable income, if any, would be
16 subject to the state income tax imposed under chapter 143,
17 general partnership, limited partnership, small corporation
18 described in section 143.471, revocable living trust, or limited
19 liability company that has elected to be taxed as a partnership
20 under the United States internal revenue code, and that was
21 established and is operated for the purpose of making investments
22 in other entitites;

23 (6) "Qualified knowledge-based company", a company based on
24 the use of ideas and information to provide innovative
25 technologies, products, and services;

26 (7) "Qualified Missouri business", the Missouri businesses
27 that are approved and certified as qualified knowledge-based
28 companies by the regional SBTDC that meet at least one of the

following criteria:

(a) Any business owned by an individual;

(b) Any partnership, association, or corporation domiciled in Missouri; or

(c) Any corporation, even if a wholly owned subsidiary of a foreign corporation, that does business primarily in Missouri or does substantially all of such business's production in Missouri;

(8) "Qualified securities", a cash investment through any one or more forms of financial assistance as provided in this subdivision and that have been approved in form and substance by the department. Forms of such financial assistance include:

(a) Any form of equity, such as:

a. A general or limited partnership interest;

b. Common stock;

c. Preferred stock, with or without voting rights, without regard to seniority position, and whether or not convertible into common stock; or

d. Any form of subordinate or convertible debt, or both, with warrants or other means of equity conversion attached; or

(b) A debt instrument, such as a note or debenture that is secured or unsecured, subordinated to the general creditors of the debtor and requires no payments of principal, other than principal payments required to be made out of any future profits of the debtor, for at least a seven-year period after commencement of such debt instrument's term;

(9) "SBTDC", the Missouri small business and technology development center; and

(10) "Tax credit", a credit against the tax otherwise due

1 under chapter 143, excluding withholding tax imposed by sections
2 143.191 to 143.265.

3 3. The Missouri angel investment incentive act shall be
4 administered by the regional SBTDCs and the department, with the
5 primary goal of encouraging individuals to provide seed-capital
6 financing for emerging Missouri businesses engaged in the
7 development, implementation, and commercialization of innovative
8 technologies, products, and services. Each regional SBTDC shall
9 establish a regional committee consisting of no fewer than three
10 but no more than five persons for the purpose of reviewing
11 applications from businesses requesting designation as a
12 qualified Missouri business and allocating the amount of
13 available tax credits among the qualified Missouri businesses.
14 The department shall establish its own rules of procedure,
15 including the form and substance of applications to be used by
16 each regional SBTDC and the criteria to be considered by each
17 regional SBTDC when evaluating a qualified Missouri business,
18 such applications and criteria to be not less than the minimum
19 requirements set forth in subsection 5 of this section. The
20 department shall issue tax credits to qualified investors that
21 make cash investments in qualified Missouri businesses that have
22 been allocated available tax credits by a regional SBTDC.

23 4. (1) A tax credit shall be allowed for an investor's
24 cash investment in the qualified securities of a qualified
25 Missouri business. The credit shall be in a total amount equal
26 to fifty percent of such investor's cash investment in any
27 qualified Missouri business, subject to the limitations set forth
28 in this subsection. This tax credit may be used in its entirety

1 in the taxable year in which the cash investment is made except
2 that no tax credit shall be allowed in a year prior to the year
3 beginning January 1, 2014. If the amount by which that portion
4 of the credit allowed by this section exceeds the investor's
5 liability in any one taxable year, the remaining portion of the
6 credit may be carried forward five years or until the total
7 amount of the credit is used, whichever occurs first. If the
8 investor is a permitted entity investor, the credit provided by
9 this section shall be claimed by the owners of the permitted
10 entity investor in proportion to their equity investment in the
11 permitted entity investor.

12 (2) A cash investment in a qualified security shall be
13 deemed to have been made on the date of acquisition of the
14 qualified security, as such date is determined in accordance with
15 the provisions of the Internal Revenue Code of 1986, as amended.

16 (3) The director of the department of revenue shall not
17 allow tax credits of more than fifty thousand dollars for a
18 single qualified Missouri business or a total of two hundred
19 fifty thousand dollars in tax credits for a single year per
20 investor who is a natural person or owner of a permitted entity
21 investor. No tax credits authorized by this section and section
22 348.274 shall be allowed for any cash investments in qualified
23 securities for any year beginning after December 31, 2019. The
24 total amount of tax credits allocated under this section shall
25 not exceed six million dollars per year.

26 (4) At the beginning of each calendar year, the department
27 shall equally designate the tax credits available during that
28 year to each regional SBTDC. At the beginning of each calendar

1 quarter, the department shall allocate to each regional SBTDC
2 one-fourth of the total tax credits designated to such regional
3 SBTDC for the calendar year such that the regional SBTDC can
4 allocate tax credits among the qualified Missouri businesses.
5 The department shall then issue tax credits to qualified
6 investors for cash investments in such qualified Missouri
7 businesses during that calendar quarter.

8 (5) At the end of each calendar quarter, each regional
9 SBTDC shall report to the department any unallocated tax credits
10 for the preceding quarter. Such report shall meet the
11 requirements set forth in section 348.274. The department shall
12 aggregate all such tax credits and reallocate them equally among
13 the regional SBTDCs as soon as possible during the next
14 consecutive calendar quarter. Each regional SBTDC shall receive
15 such reallocation in addition to the new allocation of designated
16 tax credits for such quarter.

17 (6) During the fourth calendar quarter, a regional SBTDC in
18 need of additional tax credits for transactions closing in the
19 fourth calendar quarter may request that another regional SBTDC
20 with unallocated tax credits permit such unallocated tax credits
21 to be allocated by the requesting SBTDC. No regional SBTDC shall
22 be required to grant such request. When a granting SBTDC
23 transfers the allocation of the unallocated tax credits to a
24 requesting SBTDC under this subdivision, the granting SBTDC shall
25 provide to the requesting SBTDC a written confirmation
26 authorizing such transfer, the granting SBTDC shall include a
27 copy of such written confirmation in its reports provided under
28 section 348.274, and the requesting SBTDC shall include a copy of

1 such written confirmation in its reports provided under section
2 348.274.

3 5. (1) Before an investor may be entitled to receive tax
4 credits under this section and section 348.274, such investor
5 shall have made a cash investment in a qualified security of a
6 qualified Missouri business. The business shall have been
7 approved by a regional SBTDC as a qualified Missouri business
8 before the date on which the cash investment was made. To be
9 designated as a qualified Missouri business, a business shall
10 make application to a regional SBTDC in accordance with the
11 provisions of this section.

12 (2) The application by a business to a regional SBTDC shall
13 be in the form and substance as required by the department, but
14 shall include at least the following:

15 (a) The name of the business and certified copies of the
16 organizational documents of the business;

17 (b) A business plan, including a description of the
18 business and the management, product, market, and financial plan
19 of the business;

20 (c) A statement of the potential economic impact of the
21 enterprise, including the number, location, and types of jobs
22 expected to be created;

23 (d) A description of the qualified securities to be issued,
24 the consideration to be paid for the qualified securities, and
25 the amount of any tax credits requested;

26 (e) A statement of the amount, timing, and projected use of
27 the proceeds to be raised from the proposed sale of qualified
28 securities; and

1 (f) Such other information as the regional SBTDC or the
2 department may reasonably request.

3 (3) The designation of a business as a qualified Missouri
4 business shall be made by the regional SBTDC, and such
5 designation shall be renewed annually. A business shall be so
6 designated if the regional SBTDC determines, based upon the
7 application submitted by the business and any additional
8 investigation the regional SBTDC shall make, that such business
9 meets the criteria established by the department. Such criteria
10 shall include at least the following:

11 (a) The business shall not have had annual gross revenues
12 of more than five million dollars in the most recent tax year of
13 the business;

14 (b) Businesses that are not bioscience businesses shall
15 have been in operation for less than five years, and bioscience
16 businesses shall have been in operation for less than ten years;

17 (c) The ability of investors in the business to receive tax
18 credits for cash investments in qualified securities of the
19 business is beneficial, because funding otherwise available for
20 the business is not available on commercially reasonable terms;

21 (d) The business shall not have ownership interests
22 including, but not limited to, common or preferred shares of
23 stock, that can be traded via a public stock exchange before the
24 date that a qualifying investment is made;

25 (e) The business shall not be engaged primarily in any one
26 or more of the following enterprises:

27 a. The business of banking, savings and loan or lending
28 institutions, credit or finance, or financial brokerage or

1 investments;

2 b. The provision of professional services, such as legal,
3 accounting, or engineering services;

4 c. Governmental, charitable, religious, or trade
5 organizations;

6 d. The ownership, development brokerage, sales, or leasing
7 of real estate;

8 e. Insurance;

9 f. Construction or construction management or contracting;

10 g. Business consulting or brokerage;

11 h. Any business engaged primarily as a passive business,
12 having irregular or noncontinuous operations, or deriving
13 substantially all of the income of the business from passive
14 investments that generate interest, dividends, royalties, or
15 capital gains, or any business arrangements the effect of which
16 is to immunize an investor from risk of loss;

17 i. Any activity that is in violation of the law;

18 j. Any business raising money primarily to purchase real
19 estate, land, or fixtures; and

20 k. Any gambling related business;

21 (f) The business has a reasonable chance of success;

22 (g) The business has the reasonable potential to create
23 measurable employment within the region, this state, or both;

24 (h) The business has an innovative and proprietary
25 technology, product, or service;

26 (i) The existing owners of the business and other founders
27 have made or are committed to make a substantial financial and
28 time commitment to the business;

1 (j) The securities to be issued and purchased are qualified
2 securities;

3 (k) The business has the reasonable potential to address
4 the needs and opportunities specific to the region or this state,
5 or both;

6 (l) The business has made binding commitments to the
7 regional SBTDC for adequate reporting of financial data,
8 including a requirement for an annual report, or, if required by
9 the regional SBTDC, an annual audit of the financial and
10 operational records of the business, the right of access to the
11 financial records of the business, and the right of the regional
12 SBTDC to record and publish normal and customary data and
13 information related to the issuance of tax credits that are not
14 otherwise determined to be trade or business secrets;

15 (m) The business shall satisfy all other requirements of
16 this section and section 348.274; and

17 (n) This section and all referenced sections herein are
18 subject to the provisions of section 196.1127.

19 (4) Notwithstanding the requirements of subdivision (3) of
20 this subsection, a business may be considered as a qualified
21 Missouri business under the provisions of this section and
22 section 348.274 if such business falls within a standard
23 industrial classification code established by the department.

24 (5) A qualified Missouri business shall have the burden of
25 proof to demonstrate to the regional SBTDC the qualifications of
26 the business under this section.

27 6. Any rule or portion of a rule, as that term is defined
28 in section 536.010 that is created under the authority delegated

in this section and section 348.274 shall become effective only if it complies with and is subject to all of the provisions of chapter 536, and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2013, shall be invalid and void.

348.274. 1. (1) Each regional SBTDC is authorized to allocate tax credits to qualified Missouri businesses. The department is authorized to issue tax credits to qualified investors in such qualified Missouri businesses. Such tax credits shall be allocated to those qualified Missouri businesses which, as determined by the regional SBTDC, are most likely to provide the greatest economic benefit to the region, the state, or both. The regional SBTDC may allocate, and the department may issue, whole or partial tax credits based on the regional SBTDC's assessment of the qualified Missouri businesses. The regional SBTDC may consider numerous factors in such assessment, including but not limited to, the quality and experience of the management team, the size of the estimated market opportunity, the risk from current or future competition, the ability to defend intellectual property, the quality and utility of the business model, and the quality and reasonableness of financial projections for the business.

(2) Each qualified Missouri business for which a regional SBTDC has allocated tax credits such that the department can

1 issue tax credits to the qualified investors of such qualified
2 Missouri business shall submit to the regional SBTDC a report
3 before such tax credits are issued. The regional SBTDC shall
4 provide copies of this report to the department. Such report
5 shall include the following:

6 (a) The name, address, and taxpayer identification number
7 of each investor who has made cash investment in the qualified
8 securities of the qualified Missouri business;

9 (b) Proof of such investment, including copies of the
10 securities purchase agreements and cancelled checks or wire
11 transfer receipts; and

12 (c) Any additional information as the regional SBTDC may
13 reasonably require under this section and section 348.273.

14 2. (1) The state of Missouri shall not be held liable for
15 any damages to any investor that makes an investment in any
16 qualified security of a qualified Missouri business, any business
17 that applies to be designated as a qualified Missouri business
18 and is turned down, or any investor that makes an investment in a
19 business that applies to be designated as a qualified Missouri
20 business and is turned down.

21 (2) Each qualified Missouri business shall have the
22 obligation to notify the regional SBTDC that allocated tax
23 credits to the qualified Missouri business and the department in
24 a timely manner of any changes in the qualifications of the
25 business or in the eligibility of investors to claim a tax credit
26 for cash investment in a qualified security.

27 (3) The department shall provide the information specified
28 in subdivision (3) of subsection 4 of this section to the

1 department of revenue on an annual basis. The department shall
2 conduct an annual review of the activities undertaken under this
3 section and section 348.273 to ensure that tax credits issued
4 under this section and section 348.273 are issued in compliance
5 with the provisions of this section and section 348.273 or rules
6 and regulations promulgated by each regional SBTDC or the
7 department with respect to this section and section 348.273.

8 (4) If the department determines that a business is not in
9 substantial compliance with the requirements of this section and
10 section 348.273 to maintain its designation, the department, by
11 written notice, shall inform the business that such business will
12 lose its designation as a qualified Missouri business one hundred
13 twenty days from the date of mailing of the notice unless such
14 business corrects the deficiencies and is once again in
15 compliance with the requirements for designation.

16 (5) At the end of the one hundred twenty-day period, if the
17 qualified Missouri business is still not in substantial
18 compliance, the department shall send a notice of loss of
19 designation to the business, each regional SBTDC, the director of
20 the department of revenue and to all known investors in the
21 business.

22 (6) A business shall lose its designation as a qualified
23 Missouri business under this section and section 348.273 by
24 moving its operations outside Missouri within ten years after
25 receiving financial assistance under this section and section
26 348.273.

27 (7) In the event that a business loses its designation as a
28 qualified Missouri business, such business shall be precluded

1 from being issued any additional tax credits with respect to the
2 business, shall be precluded from being approved as a qualified
3 Missouri business and shall repay any financial assistance to the
4 regional SBTDC, in an amount to be determined by the regional
5 SBTDC. Each qualified Missouri business that loses its
6 designation as a qualified Missouri business shall enter into a
7 repayment agreement with the regional SBTDC specifying the terms
8 of such repayment obligation.

9 (8) Investors in a qualified Missouri business shall be
10 entitled to keep all of the tax credits properly issued to such
11 investors under this section and section 348.273.

12 (9) The portions of documents and other materials submitted
13 to any regional SBTDC or the department that contain trade
14 secrets shall be kept confidential and shall be maintained in a
15 secured environment by the regional SBTDC and the department, as
16 applicable. For the purposes of this section and section
17 348.273, "trade secrets" means any customer lists, formula,
18 compound, production data, or compilation of information that
19 will allow individuals within a commercial concern using such
20 information the means to fabricate, produce, or compound an
21 article of trade or perform any service having commercial value,
22 which gives the user an opportunity to obtain a business
23 advantage over competitors who do not know or use such service.

24 (10) Each regional SBTDC and the department may prepare and
25 adopt procedures concerning the performance of the duties placed
26 upon each respective entity by this section and section 348.273.

27 3. Any qualified investor who makes a cash investment in a
28 qualified security of a qualified Missouri business may transfer

1 the tax credits such qualified investor may receive under
2 subsection 4 of section 348.273 to any natural person. Such
3 transferee may claim the tax credit against the transferee's
4 Missouri income tax liability as provided in subdivision (1) of
5 subsection 4 of section 348.273, subject to all restrictions and
6 limitations set forth in this section and section 348.273. Only
7 the full credit for any one investment shall be transferred and
8 this interest shall only be transferred one time. Documentation
9 of any tax credit transfer under this section shall be provided
10 by the qualified investor in the manner required by the
11 department.

12 4. (1) Each qualified Missouri business for which tax
13 credits have been issued under this section and section 348.273
14 shall report to the applicable regional SBTDC on an annual basis,
15 on or before February first. The regional SBTDC shall provide
16 copies of the reports to the department. Such reports shall
17 include the following:

18 (a) The name, address, and taxpayer identification number
19 of each investor who has made cash investment in the qualified
20 securities of the qualified Missouri business and has received
21 tax credits for this investment during the preceding year;

22 (b) The amounts of these cash investments by each investor
23 and a description of the qualified securities issued in
24 consideration of such cash investments; and

25 (c) Any additional information as the regional SBTDC or the
26 department may reasonably require under this section and section
27 348.273.

28 (2) Each regional SBTDC shall report quarterly to the

department on the allocation of the tax credits in the preceding
calendar quarter. Such reports shall include:

(a) The amount of applications the regional SBTDC received;

(b) The number and ratio of successful applications to
unsuccessful applications;

(c) The amount of tax credits allocated but not issued in
the previous quarter, including what percentage was allocated to
individuals and what percentage was allocated to investment
firms;

(d) The amount of unallocated tax credits; and

(e) Such other information as reasonably agreed upon by
each regional SBTDC and the department.

(3) The department shall also report annually to the
governor, the president pro tempore of the senate, and the
speaker of the house of representatives, on or before April
first, on the allocation and issuance of the tax credits. Such
reports shall include:

(a) The amount of tax credits issued in the previous fiscal
year, including what percentage was issued to individuals and
what percentage was issued to investment firms;

(b) The types of businesses that benefitted from the tax
credits;

(c) The amount of allocated but unissued tax credits and
the information about the unissued tax credits set forth in
subdivision (2) of this subsection;

(d) Any aggregate job creation or capital investment in the
region that resulted from the use of the tax credits for a period
of five years beginning from the date on which the tax credits

1 were awarded;

2 (e) The manner in which the purpose of this section and
3 section 348.273 has been carried out with regard to the region;

4 (f) The total cash investments made for the purchase of
5 qualified securities of qualified Missouri businesses within the
6 region during the preceding year and cumulatively since the
7 effective date of this section and section 348.273;

8 (g) An estimate of jobs created and jobs preserved by cash
9 investments made in qualified Missouri businesses within the
10 region;

11 (h) An estimate of the multiplier effect on the economy of
12 the region of the cash investments made under this section and
13 section 348.273;

14 (i) Information regarding what businesses derived benefit
15 from the tax credits remained in the region, what businesses
16 ceased business, what businesses were purchased, and what
17 businesses may have moved out-of-region or out-of-state and why.

18 (4) Any violation of the reporting requirements of this
19 subsection by a qualified Missouri business may be grounds for
20 the loss of designation of such qualified Missouri business, and
21 such business that loses its designation as a qualified Missouri
22 business shall be subject to the restrictions upon loss of
23 designation set forth in subsection 2 of this section.

24 5. Notwithstanding sections 23.250 to 23.298 of the
25 Missouri sunset act, sections 348.273 and 348.274 shall expire on
26 December 31, 2019.

27 447.708. 1. For eligible projects, the director of the
28 department of economic development, with notice to the directors

1 of the departments of natural resources and revenue, and subject
2 to the other provisions of sections 447.700 to 447.718, may not
3 create a new enterprise zone but may decide that a prospective
4 operator of a facility being remedied and renovated pursuant to
5 sections 447.700 to 447.718 may receive the tax credits and
6 exemptions pursuant to sections 135.100 to 135.150 and sections
7 135.200 to 135.257. The tax credits allowed pursuant to this
8 subsection shall be used to offset the tax imposed by chapter
9 143, excluding withholding tax imposed by sections 143.191 to
10 143.265, or the tax otherwise imposed by chapter 147, or the tax
11 otherwise imposed by chapter 148. For purposes of this
12 subsection:

13 (1) For receipt of the ad valorem tax abatement pursuant to
14 section 135.215, the eligible project must create at least ten
15 new jobs or retain businesses which supply at least twenty-five
16 existing jobs. The city, or county if the eligible project is
17 not located in a city, must provide ad valorem tax abatement of
18 at least fifty percent for a period not less than ten years and
19 not more than twenty-five years;

20 (2) For receipt of the income tax exemption pursuant to
21 section 135.220 and tax credit for new or expanded business
22 facilities pursuant to sections 135.100 to 135.150, and 135.225,
23 the eligible project must create at least ten new jobs or retain
24 businesses which supply at least twenty-five existing jobs, or
25 combination thereof. For purposes of sections 447.700 to
26 447.718, the tax credits described in section 135.225 are
27 modified as follows: the tax credit shall be four hundred dollars
28 per employee per year, an additional four hundred dollars per

1 year for each employee exceeding the minimum employment
2 thresholds of ten and twenty-five jobs for new and existing
3 businesses, respectively, an additional four hundred dollars per
4 year for each person who is a person difficult to employ as
5 defined by section 135.240, and investment tax credits at the
6 same amounts and levels as provided in subdivision (4) of
7 subsection 1 of section 135.225;

8 (3) For eligibility to receive the income tax refund
9 pursuant to section 135.245, the eligible project must create at
10 least ten new jobs or retain businesses which supply at least
11 twenty-five existing jobs, or combination thereof, and otherwise
12 comply with the provisions of section 135.245 for application and
13 use of the refund and the eligibility requirements of this
14 section;

15 (4) The eligible project operates in compliance with
16 applicable environmental laws and regulations, including
17 permitting and registration requirements, of this state as well
18 as the federal and local requirements;

19 (5) The eligible project operator shall file such reports
20 as may be required by the director of economic development or the
21 director's designee;

22 (6) The taxpayer may claim the state tax credits authorized
23 by this subsection and the state income exemption for a period
24 not in excess of ten consecutive tax years. For the purpose of
25 this section, "taxpayer" means an individual proprietorship,
26 partnership or corporation described in section 143.441 or
27 143.471 who operates an eligible project. The director shall
28 determine the number of years the taxpayer may claim the state

1 tax credits and the state income exemption based on the projected
2 net state economic benefits attributed to the eligible project;

3 (7) For the purpose of meeting the new job requirement
4 prescribed in subdivisions (1), (2) and (3) of this subsection,
5 it shall be required that at least ten new jobs be created and
6 maintained during the taxpayer's tax period for which the credits
7 are earned, in the case of an eligible project that does not
8 replace a similar facility in Missouri. "New job" means a person
9 who was not previously employed by the taxpayer or related
10 taxpayer within the twelve-month period immediately preceding the
11 time the person was employed by that taxpayer to work at, or in
12 connection with, the eligible project on a full-time basis.

13 "Full-time basis" means the employee works an average of at least
14 thirty-five hours per week during the taxpayer's tax period for
15 which the tax credits are earned. For the purposes of this
16 section, related taxpayer has the same meaning as defined in
17 subdivision (9) of section 135.100;

18 (8) For the purpose of meeting the existing job retention
19 requirement, if the eligible project replaces a similar facility
20 that closed elsewhere in Missouri prior to the end of the
21 taxpayer's tax period in which the tax credits are earned, it
22 shall be required that at least twenty-five existing jobs be
23 retained at, and in connection with the eligible project, on a
24 full-time basis during the taxpayer's tax period for which the
25 credits are earned. "Retained job" means a person who was
26 previously employed by the taxpayer or related taxpayer, at a
27 facility similar to the eligible project that closed elsewhere in
28 Missouri prior to the end of the taxpayer's tax period in which

1 the tax credits are earned, within the tax period immediately
2 preceding the time the person was employed by the taxpayer to
3 work at, or in connection with, the eligible project on a
4 full-time basis. "Full-time basis" means the employee works an
5 average of at least thirty-five hours per week during the
6 taxpayer's tax period for which the tax credits are earned;

7 (9) In the case where an eligible project replaces a
8 similar facility that closed elsewhere in Missouri prior to the
9 end of the taxpayer's tax period in which the tax credits are
10 earned, the owner and operator of the eligible project shall
11 provide the director with a written statement explaining the
12 reason for discontinuing operations at the closed facility. The
13 statement shall include a comparison of the activities performed
14 at the closed facility prior to the date the facility ceased
15 operating, to the activities performed at the eligible project,
16 and a detailed account describing the need and rationale for
17 relocating to the eligible project. If the director finds the
18 relocation to the eligible project significantly impaired the
19 economic stability of the area in which the closed facility was
20 located, and that such move was detrimental to the overall
21 economic development efforts of the state, the director may deny
22 the taxpayer's request to claim tax benefits;

23 (10) Notwithstanding any provision of law to the contrary,
24 for the purpose of this section, the number of new jobs created
25 and maintained, the number of existing jobs retained, and the
26 value of new qualified investment used at the eligible project
27 during any tax year shall be determined by dividing by twelve, in
28 the case of jobs, the sum of the number of individuals employed

1 at the eligible project, or in the case of new qualified
2 investment, the value of new qualified investment used at the
3 eligible project, on the last business day of each full calendar
4 month of the tax year. If the eligible project is in operation
5 for less than the entire tax year, the number of new jobs created
6 and maintained, the number of existing jobs retained, and the
7 value of new qualified investment created at the eligible project
8 during any tax year shall be determined by dividing the sum of
9 the number of individuals employed at the eligible project, or in
10 the case of new qualified investment, the value of new qualified
11 investment used at the eligible project, on the last business day
12 of each full calendar month during the portion of the tax year
13 during which the eligible project was in operation, by the number
14 of full calendar months during such period;

15 (11) For the purpose of this section, "new qualified
16 investment" means new business facility investment as defined and
17 as determined in subdivision (7) of section 135.100 which is used
18 at and in connection with the eligible project. "New qualified
19 investment" shall not include small tools, supplies and
20 inventory. "Small tools" means tools that are portable and can
21 be hand held.

22 2. The determination of the director of economic
23 development pursuant to subsection 1 of this section shall not
24 affect requirements for the prospective purchaser to obtain the
25 approval of the granting of real property tax abatement by the
26 municipal or county government where the eligible project is
27 located.

28 3. (1) The director of the department of economic

1 development, with the approval of the director of the department
2 of natural resources, may, [in addition to the tax credits
3 allowed in subsection 1 of this section,] grant a remediation tax
4 credit to the applicant for up to one hundred percent of the
5 costs of materials, supplies, equipment, labor, professional
6 engineering, consulting and architectural fees, permitting fees
7 and expenses, demolition, asbestos abatement, and direct utility
8 charges for performing the voluntary remediation activities for
9 the preexisting hazardous substance contamination and releases,
10 including, but not limited to, the costs of performing operation
11 and maintenance of the remediation equipment at the property
12 beyond the year in which the systems and equipment are built and
13 installed at the eligible project and the costs of performing the
14 voluntary remediation activities over a period not in excess of
15 four tax years following the taxpayer's tax year in which the
16 system and equipment were first put into use at the eligible
17 project, provided the remediation activities are the subject of a
18 plan submitted to, and approved by, the director of natural
19 resources pursuant to sections 260.565 to 260.575. The tax
20 credit may also include up to one hundred percent of the costs of
21 demolition that are not directly part of the remediation
22 activities, provided that the demolition is on the property where
23 the voluntary remediation activities are occurring, the
24 demolition is necessary to accomplish the planned use of the
25 facility where the remediation activities are occurring, and the
26 demolition is part of a redevelopment plan approved by the
27 municipal or county government and the department of economic
28 development. The demolition may occur on an adjacent property if

1 the project is located in a municipality which has a population
2 less than twenty thousand and the above conditions are otherwise
3 met. The adjacent property shall independently qualify as
4 abandoned or underutilized. The amount of the credit available
5 for demolition not associated with remediation cannot exceed the
6 total amount of credits approved for remediation including
7 demolition required for remediation.

8 (2) The amount of remediation tax credits issued shall be
9 limited to the least amount necessary to cause the project to
10 occur, as determined by the director of the department of
11 economic development.

12 (3) The director may, with the approval of the director of
13 natural resources, extend the tax credits allowed for performing
14 voluntary remediation maintenance activities, in increments of
15 three-year periods, not to exceed five consecutive three-year
16 periods. The tax credits allowed in this subsection shall be
17 used to offset the tax imposed by chapter 143, excluding
18 withholding tax imposed by sections 143.191 to 143.265, or the
19 tax otherwise imposed by chapter 147, or the tax otherwise
20 imposed by chapter 148. The remediation tax credit may be taken
21 in the same tax year in which the tax credits are received or may
22 be taken over a period not to exceed twenty years.

23 (4) The project facility shall be projected to create at
24 least ten new jobs or at least twenty-five retained jobs, or a
25 combination thereof, as determined by the department of economic
26 development, to be eligible for tax credits pursuant to this
27 section.

28 (5) No more than seventy-five percent of earned remediation

1 tax credits may be issued when the remediation costs were paid,
2 and the remaining percentage may be issued when the department of
3 natural resources issues a letter of completion letter or
4 covenant not to sue following completion of the voluntary
5 remediation activities. It shall not include any costs
6 associated with ongoing operational environmental compliance of
7 the facility or remediation costs arising out of spills, leaks,
8 or other releases arising out of the ongoing business operations
9 of the facility. In the event the department of natural
10 resources issues a letter of completion for a portion of a
11 property, an impacted media such as soil or groundwater, or for a
12 site or a portion of a site improvement, a prorated amount of the
13 remaining percentage may be released based on the percentage of
14 the total site receiving a letter of completion.

15 4. In the exercise of the sound discretion of the director
16 of the department of economic development or the director's
17 designee, the tax credits and exemptions described in this
18 section may be terminated, suspended or revoked, if the eligible
19 project fails to continue to meet the conditions set forth in
20 this section. In making such a determination, the director shall
21 consider the severity of the condition violation, actions taken
22 to correct the violation, the frequency of any condition
23 violations and whether the actions exhibit a pattern of conduct
24 by the eligible facility owner and operator. The director shall
25 also consider changes in general economic conditions and the
26 recommendation of the director of the department of natural
27 resources, or his or her designee, concerning the severity,
28 scope, nature, frequency and extent of any violations of the

1 environmental compliance conditions. The taxpayer or person
2 claiming the tax credits or exemptions may appeal the decision
3 regarding termination, suspension or revocation of any tax credit
4 or exemption in accordance with the procedures outlined in
5 subsections 4 to 6 of section 135.250. The director of the
6 department of economic development shall notify the directors of
7 the departments of natural resources and revenue of the
8 termination, suspension or revocation of any tax credits as
9 determined in this section or pursuant to the provisions of
10 section 447.716.

11 5. Notwithstanding any provision of law to the contrary, no
12 taxpayer shall earn the tax credits, exemptions or refund
13 otherwise allowed in subdivisions (2), (3) and (4) of subsection
14 1 of this section and the tax credits otherwise allowed in
15 section 135.110, or the tax credits, exemptions and refund
16 otherwise allowed in sections 135.215, 135.220, 135.225 and
17 135.245, respectively, for the same facility for the same tax
18 period.

19 6. The total amount of the tax credits allowed in
20 subsection 1 of this section may not exceed the greater of:

21 (1) That portion of the taxpayer's income attributed to the
22 eligible project; or

23 (2) One hundred percent of the total business' income tax
24 if the eligible facility does not replace a similar facility that
25 closed elsewhere in Missouri prior to the end of the taxpayer's
26 tax period in which the tax credits are earned, and further
27 provided the taxpayer does not operate any other facilities
28 besides the eligible project in Missouri; fifty percent of the

1 total business' income tax if the eligible facility replaces a
2 similar facility that closed elsewhere in Missouri prior to the
3 end of the taxpayer's tax period in which the credits are earned,
4 and further provided the taxpayer does not operate any other
5 facilities besides the eligible project in Missouri; or
6 twenty-five percent of the total business income if the taxpayer
7 operates, in addition to the eligible facility, any other
8 facilities in Missouri. In no case shall a taxpayer operating
9 more than one eligible project in Missouri be allowed to offset
10 more than twenty-five percent of the taxpayer's business income
11 in any tax period. That portion of the taxpayer's income
12 attributed to the eligible project as referenced in subdivision
13 (1) of this subsection, for which the credits allowed in sections
14 135.110 and 135.225 and subsection 3 of this section, may apply,
15 shall be determined in the same manner as prescribed in
16 subdivision (6) of section 135.100. That portion of the
17 taxpayer's franchise tax attributed to the eligible project for
18 which the remediation tax credit may offset, shall be determined
19 in the same manner as prescribed in paragraph (a) of subdivision
20 (6) of section 135.100.

21 7. Taxpayers claiming the state tax benefits allowed in
22 subdivisions (2) and (3) of subsection 1 of this section shall be
23 required to file all applicable tax credit applications, forms
24 and schedules prescribed by the director during the taxpayer's
25 tax period immediately after the tax period in which the eligible
26 project was first put into use. Otherwise, the taxpayer's right
27 to claim such state tax benefits shall be forfeited. Unused
28 business facility and enterprise zone tax credits shall not be

1 carried forward but shall be initially claimed for the tax period
2 during which the eligible project was first capable of being
3 used, and during any applicable subsequent tax periods.

4 8. Taxpayers claiming the remediation tax credit allowed in
5 subsection 3 of this section shall be required to file all
6 applicable tax credit applications, forms and schedules
7 prescribed by the director during the taxpayer's tax period
8 immediately after the tax period in which the eligible project
9 was first put into use, or during the taxpayer's tax period
10 immediately after the tax period in which the voluntary
11 remediation activities were performed.

12 9. The recipient of remediation tax credits, for the
13 purpose of this subsection referred to as assignor, may assign,
14 sell or transfer, in whole or in part, the remediation tax credit
15 allowed in subsection 3 of this section to any other person, for
16 the purpose of this subsection referred to as assignee. To
17 perfect the transfer, the assignor shall provide written notice
18 to the director of the assignor's intent to transfer the tax
19 credits to the assignee, the date the transfer is effective, the
20 assignee's name, address and the assignee's tax period and the
21 amount of tax credits to be transferred. The number of tax
22 periods during which the assignee may subsequently claim the tax
23 credits shall not exceed twenty tax periods, less the number of
24 tax periods the assignor previously claimed the credits before
25 the transfer occurred.

26 10. In the case where an operator and assignor of an
27 eligible project has been certified to claim state tax benefits
28 allowed in subdivisions (2) and (3) of subsection 1 of this

1 section, and sells or otherwise transfers title of the eligible
2 project to another taxpayer or assignee who continues the same or
3 substantially similar operations at the eligible project, the
4 director shall allow the assignee to claim the credits for a
5 period of time to be determined by the director; except that, the
6 total number of tax periods the tax credits may be earned by the
7 assignor and the assignee shall not exceed ten. To perfect the
8 transfer, the assignor shall provide written notice to the
9 director of the assignor's intent to transfer the tax credits to
10 the assignee, the date the transfer is effective, the assignee's
11 name, address, and the assignee's tax period, and the amount of
12 tax credits to be transferred.

13 11. For the purpose of the state tax benefits described in
14 this section, in the case of a corporation described in section
15 143.471 or partnership, in computing Missouri's tax liability,
16 such state benefits shall be allowed to the following:

17 (1) The shareholders of the corporation described in
18 section 143.471;

19 (2) The partners of the partnership.
20 The credit provided in this subsection shall be apportioned to
21 the entities described in subdivisions (1) and (2) of this
22 subsection in proportion to their share of ownership on the last
23 day of the taxpayer's tax period.

24 12. For each fiscal year beginning on or after July 1,
25 2014, no more than twenty-five million dollars in tax credits
26 shall be authorized under the provisions of section 447.700 to
27 447.718. Of the twenty-five million dollars authorized under
28 this subsection, no more than five million dollars shall be

1 available to projects qualified to receive benefits under section
2 99.1205.

3 135.630. 1. As used in this section, the following
4 terms mean:

5 (1) "Contribution", a donation of cash, stock,
6 bonds, or other marketable securities, or real
7 property;

8 (2) "Director", the director of the department of
9 social services;

10 (3) "Pregnancy resource center", a nonresidential
11 facility located in this state:

12 (a) Established and operating primarily to
13 provide assistance to women with crisis pregnancies or
14 unplanned pregnancies by offering pregnancy testing,
15 counseling, emotional and material support, and other
16 similar services to encourage and assist such women in
17 carrying their pregnancies to term; and

18 (b) Where childbirths are not performed; and

19 (c) Which does not perform, induce, or refer for
20 abortions and which does not hold itself out as
21 performing, inducing, or referring for abortions; and

22 (d) Which provides direct client services at the
23 facility, as opposed to merely providing counseling or
24 referral services by telephone; and

25 (e) Which provides its services at no cost to its
26 clients; and

27 (f) When providing medical services, such medical
28 services must be performed in accordance with Missouri
29 statute; and

30 (g) Which is exempt from income taxation pursuant to
31 the Internal Revenue Code of 1986, as amended;

32 (4) "State tax liability", in the case of a business
33 taxpayer, any liability incurred by such taxpayer pursuant
34 to the provisions of chapters 143, 147, 148, and 153,
35 excluding sections 143.191 to 143.265 and related
36 provisions, and in the case of an individual taxpayer, any
37 liability incurred by such taxpayer pursuant to the
38 provisions of chapter 143, excluding sections 143.191 to
39 143.265 and related provisions;

40 (5) "Taxpayer", a person, firm, a partner in a firm,
41 corporation, or a shareholder in an S corporation doing
42 business in the state of Missouri and subject to the state
43 income tax imposed by the provisions of chapter 143, or a
44 corporation subject to the annual corporation franchise tax
45 imposed by the provisions of chapter 147, or an insurance
46 company paying an annual tax on its gross premium receipts
47 in this state, or other financial institution paying taxes
48 to the state of Missouri or any political subdivision of
49 this state pursuant to the provisions of chapter 148, or an

1 express company which pays an annual tax on its gross
2 receipts in this state pursuant to chapter 153, or an
3 individual subject to the state income tax imposed by the
4 provisions of chapter 143, or any charitable organization
5 which is exempt from federal income tax and whose Missouri
6 unrelated business taxable income, if any, would be subject
7 to the state income tax imposed under chapter 143.

8 2. (1) Beginning on the effective date of this act,
9 any contribution to a pregnancy resource center made on or
10 after January 1, 2013, shall be eligible for tax credits as
11 provided by this section;

12 (2) For all tax years beginning on or after January 1,
13 2007, a taxpayer shall be allowed to claim a tax credit
14 against the taxpayer's state tax liability in an amount
15 equal to fifty percent of the amount such taxpayer
16 contributed to a pregnancy resource center.

17 3. The amount of the tax credit claimed shall not
18 exceed the amount of the taxpayer's state tax liability for
19 the taxable year for which the credit is claimed, and such
20 taxpayer shall not be allowed to claim a tax credit in
21 excess of fifty thousand dollars per taxable year. However,
22 any tax credit that cannot be claimed in the taxable year
23 the contribution was made may be carried over to the next
24 four succeeding taxable years until the full credit has been
25 claimed.

26 4. Except for any excess credit which is carried over
27 pursuant to subsection 3 of this section, a taxpayer shall
28 not be allowed to claim a tax credit unless the total amount
29 of such taxpayer's contribution or contributions to a
30 pregnancy resource center or centers in such taxpayer's
31 taxable year has a value of at least one hundred dollars.

32 5. The director shall determine, at least annually,
33 which facilities in this state may be classified as
34 pregnancy resource centers. The director may require of a
35 facility seeking to be classified as a pregnancy resource
36 center whatever information which is reasonably necessary to
37 make such a determination. The director shall classify a
38 facility as a pregnancy resource center if such facility
39 meets the definition set forth in subsection 1 of this
40 section.

41 6. The director shall establish a procedure by which a
42 taxpayer can determine if a facility has been classified as
43 a pregnancy resource center. Pregnancy resource centers
44 shall be permitted to decline a contribution from a
45 taxpayer. The cumulative amount of tax credits which may be
46 claimed by all the taxpayers contributing to pregnancy
47 resource centers in any one fiscal year shall not exceed two
48 million dollars. Tax credits shall be issued in the order
49 contributions are received.

50 7. The director shall establish a procedure by which,
51 from the beginning of the fiscal year until some point in

1 time later in the fiscal year to be determined by the
2 director, the cumulative amount of tax credits are equally
3 apportioned among all facilities classified as pregnancy
4 resource centers. If a pregnancy resource center fails to
5 use all, or some percentage to be determined by the
6 director, of its apportioned tax credits during this
7 predetermined period of time, the director may reapportion
8 these unused tax credits to those pregnancy resource centers
9 that have used all, or some percentage to be determined by
10 the director, of their apportioned tax credits during this
11 predetermined period of time. The director may establish
12 more than one period of time and reapportion more than once
13 during each fiscal year. To the maximum extent possible,
14 the director shall establish the procedure described in this
15 subsection in such a manner as to ensure that taxpayers can
16 claim all the tax credits possible up to the cumulative
17 amount of tax credits available for the fiscal year.

18 8. Each pregnancy resource center shall provide
19 information to the director concerning the identity of each
20 taxpayer making a contribution to the pregnancy resource
21 center who is claiming a tax credit pursuant to this section
22 and the amount of the contribution. The director shall
23 provide the information to the director of revenue. The
24 director shall be subject to the confidentiality and penalty
25 provisions of section 32.057 relating to the disclosure of
26 tax information.

27 9. [Notwithstanding any other law to the contrary, any
28 tax credits granted under this section may be assigned,
29 transferred, sold, or otherwise conveyed without consent or
30 approval. Such taxpayer, hereinafter the assignor for
31 purposes of this section, may sell, assign, exchange, or
32 otherwise transfer earned tax credits:

33 (1) For no less than seventy-five percent of the par
34 value of such credits; and

35 (2) In an amount not to exceed one hundred percent of
36 annual earned credits.

37 10.] Pursuant to section 23.253 of the Missouri sunset act:

38 (1) [Any new program authorized under this section
39 shall automatically sunset six years after August 28, 2006,
40 unless reauthorized by an act of the general assembly; and

41 (2) If such program is reauthorized,] The program
42 authorized under this section shall [automatically sunset
43 twelve years after the effective date of the reauthorization
44 of this section] be reauthorized as of the effective date of
45 this act and shall expire on December 31, 2019, unless
46 reauthorized by the general assembly; and

47 [(3)] (2) This section shall terminate on September
48 first of the calendar year immediately following the
49 calendar year in which a program authorized under this
50 section is sunset; and

(3) The provisions of this subsection shall not be construed to limit or in any way impair the department's ability to issue tax credits authorized on or before the date the program authorized under this section expires or a taxpayer's ability to redeem such tax credits.]

143.119. 1. A self-employed taxpayer, as such term is used in the federal internal revenue code, who is otherwise ineligible for the federal income tax health insurance deduction under Section 162 of the federal internal revenue code shall be entitled to a credit against the tax otherwise due under this chapter, excluding withholding tax imposed by sections 143.191 to 143.265, in an amount equal to the portion of such taxpayer's federal tax liability incurred due to such taxpayer's inclusion of such payments in federal adjusted gross income. The tax credits authorized under this section shall be nontransferable. To the extent tax credit issued under this section exceeds a taxpayer's state income tax liability, such excess shall be considered an overpayment of tax and shall be refunded to the taxpayer.

2. The director of the department of revenue shall promulgate rules and regulations to administer the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be invalid and void.]

Section B. Because immediate action is necessary to encourage economic development in the state, the enactment of sections 135.1550, 135.1555, 135.1560, 135.1565, 135.1570, and 135.1575 and the repeal and reenactment of sections 135.350, 135.352, 135.484, 253.545, 253.550, 253.557, 253.559, and 447.708 of this act is deemed necessary for the immediate preservation of the public health, welfare, peace and safety, and is hereby declared to be an emergency act within the meaning of the constitution, and the enactment of sections 135.1550, 135.1555, 135.1560, 135.1565, 135.1570, and 135.1575 and the repeal and reenactment of sections 135.350, 135.352, 135.484, 253.545, 253.550, 253.557, 253.559, and 447.708 of this act shall be in full force and effect upon its passage and approval.

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